Book Review: The Technology Takers: Leading Change in the Digital Era by Jens P. Flanding, Genevieve M. Grabman and Sheila Q. Cox

In The Technology Takers: Leading Change in the Digital Era, Jens P. Flanding, Genevieve M.

Grabman and **Sheila Q. Cox** explore how organisations and managers can lead change and pursue strategic opportunities at a time when contemporary digital technologies place most firms in the position of being 'technology takers' that must use services on offer from the big technology companies. While the book's central 'Playbook to Digital Era Change Leadership' offers value, particularly for change management consultants looking for models of organisational change, **Martin C. W. Walker** questions the novelty of some of the book's findings and whether the concept of 'technology taking' too readily accepts the monopoly power of today's digital giants.

This review originally appeared on <u>LSE Review of Books</u>. If you would like to contribute to the series, please contact the managing editor of LSE Review of Books, Dr Rosemary Deller, at <u>lsereviewofbooks@lse.ac.uk</u>

The Technology Takers: Leading Change in the Digital Era. Jens P. Flanding, Genevieve M. Grabman and Sheila Q. Cox. Emerald Insight. 2019.

The Technology Takers: Leading Change in the Digital Era is a recent book about the challenges of change management in the context of 'digital era technologies'. The book's primary thesis is that we are in a new age, a Digital Age, where technology advances so quickly that the only rational choice for most firms is to use the services on offer from digital giants such as Google, Amazon and Salesforce. That firms should be 'Technology Takers', adapting their business processes and organisations to cloud-based systems rather than attempting to adapt software to their needs. Authors Jens P. Flanding, Genevieve M. Grabman and Sheila Q. Cox use the analogy of the concept of 'price taking' in economics, which applies to firms that lack sufficient market power to influence prices and simply have to take the price set by those more powerful than themselves.

The authors set out this idea with great enthusiasm in the first two chapters of their book and it is an empirically and commercially attractive concept. It makes little sense for many firms offering fairly generic products to design their own processes, let alone systems, in areas such as accounting, sales or Human Resources. However, the idea of buying (or renting) a system and re-designing processes to fit such systems is far



from new. In reading this book and writing the review, I interviewed Ian White, one of the surviving engineers from the Lyons Electronic Office (LEO) project. In 1951 J. Lyons and Co. built and started to operate their first business computer, LEO, to support their nationwide chain of catering businesses. Lyons realised quite early on that they should share the costs of operating the system by renting out the use of their computer and its software. In 1956 they started processing the payroll of the UK arm of the Ford Motor Corporation.

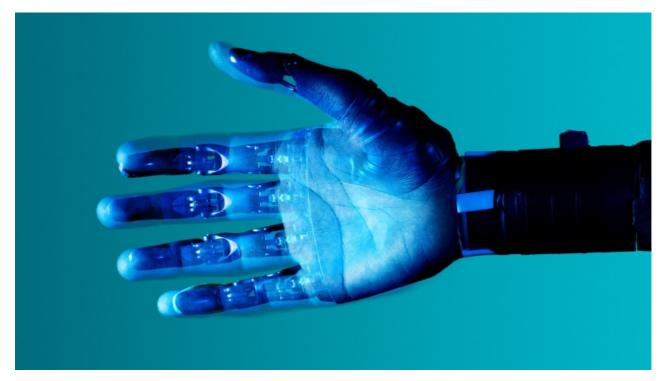
White described exactly the same concept of 'technology taking' at work in the 1950s as clients on-boarded to use LEO, adapting their processes to fit the way the system worked. In fact, these twin cycles – buying systems versus building them; and buying/renting systems and adapting the organisation versus buying/renting systems and adapting the system to the organisation – have been in motion for decades. Sometimes pure fashion makes the wheels move in one direction rather than another. Sometimes it is the degree of match between what systems do and what firms need.

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The authors of *The Technology Takers* place great value on a particular form of technology taking, renting software (without making any material changes to it) that runs on the software providers' hardware. Today this is known as 'Software as a Service' (SaaS). The authors describe SaaS as one of several 'modern externally created technologies'. However, SaaS as a concept is almost as old as the computing age. IBM, amongst others, has been providing SaaS solutions for decades. Even Salesforce, which the authors reference multiple times, has been in the SaaS business for over twenty years.



However, *The Technology Takers* is not just an argument for taking the offerings of the technology giants and largely abandoning internal IT innovation in most organisations. The majority of the book consists of a central chapter called 'Playbook to Digital Era Change Leadership'. Authors Flanding, Grabman and Cox have backgrounds in programme management, change management and consulting and this is reflected in the structure and content of the 'Playbook', which is very much aimed at strategy teams or consultants.

Whether we are on a path of ever accelerating technological progress (as the authors believe) or making somewhat slower progress while cycling through the same set of ideas (both good and bad), the playbook contains some good advice for any organisation that is trying to get more out of IT or digital technologies. Having a clear vision and technology governance, ideally from a central team, makes sense. One of the problems of IT adoption has been the continual mutation of systems and business processes across an organisation, which can reach the point where the management team, such as in investment banks, can lose all understanding of their organisation. That central team needs an extremely clear understanding of the organisation and its needs, otherwise the vision and governance can end up as so many pretty but pointless PowerPoints – something already demonstrated across many organisations.

Sponsoring and advocating continuous change is another key part of the playbook but this is also an old concept. Having a change mindset, both to adapt to a changing world and to seek out new areas for innovation, is fundamental for any organisation, particularly one that wants to learn and grow. The authors do make the point that change should be driven by the need to fix problems identified by organisational data. They do not, however, seem to realise the risk that comes from giving a central team the mandate to drive continuous change. It is all too easy for change to happen for its own sake rather than because it adds value. Speaking from personal experience, continuous change can be exhausting, expensive and ultimately destructive.

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Training staff to understand technology is one of the real positives of the playbook. Far too many people in management positions are involved in making decisions about IT with little to no understanding of the relevant technologies themselves or the processes of implementing technology change. Further down the organisation, staff at the front line can be so lacking in technology skills they often feel completely powerless in the face of software vendors or IT departments. Another key positive insight is the importance of capturing data about the operation of business processes and using it both in more strategic decisions as well as to measure operational performance.

There is value in various aspects of the 'Playbook to Digital Era Change Leadership', particularly for change management consultants looking for a shortcut to defining a target operating model for organisational change. However, it would be of questionable value for an internal IT function given that its central premise is neither particularly new nor as universal as the authors seem to believe. Returning to the economic concept of price taking that inspired this book, it is also worth remembering that the type of firm most likely to be a price maker rather than a price taker is a monopolist. The strength of the technology giants praised in this book is such that many economists and politicians question whether their monopoly power is damaging to the overall economy, distorting the free market and ultimately harming consumers. It would be very sad if the ideas in *The Technology Takers* were taken too literally and used to support trends that in the long term may be both anti-competitive and anti-innovation.

Note: This review gives the views of the author, and not the position of the LSE Review of Books blog, or of the London School of Economics.

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