

Role of information technology in business revolution

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Abstract This paper investigates the relation between information technology (IT) and the change of business operations. We evaluate the geographical demand of companies for customer service interactions. The structure is a separate selection model in which districts play the role of distinguished products. The approximated demand structure is used to evaluate the results of IT on customer size, place selection, and cost preserving. The results verify the higher cost vulnerability of IT-thorough companies but propose that capability to utilize cost different is highly company-specified and that the influence of geographically restricted externalities is even existent. Because the productivity of many IT phenomenon based on network results in which the edge productivity caused by the acceptance of a technology by a site is higher if the rest of the company accepts this technology too, companies have a motivation to need cooperate funding in technology across the business. We grow a mathematical model to investigate this balance and obtain experimental assumptions that relate IT-funding variety to the assignment of decision rights.

Keywords Information technology · Business transformation · Separate selection models

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1 Introduction

Progress in information technology (IT) in the past decades and, especially, the universal extension and implementation of business software combined with propagation of network technologies (Internet) in recent years have enabled companies to support moderate advantages across traditional borders, including geographical borders [7]. The suggestions of this considerable reorganization of work are extensive and affect companies, workers, and finally, government or international policies. Indeed, the comeback that outsourcing operations have generated in political fields is evidence to how important the issue has become both to companies and to the economy in general [1]. Although, there is little structured analysis of how much more adaptable organizations have become in placing work as a result of their IT funding and whether the simple pattern in which the idea of the company as an integrated whole will give way to a network of freely coupled individuals is a correct view of truth [9].

The major question that this paper addresses is considering the area to which IT alters the respective significance of localized profits against unit costs in the company's place and renting decisions. In other words, do IT replace for place-restrict, non-financial regional benefits and, if so, to what size?

2 IT, market efficiency, and geography: literature review

2.1 Market efficiency

IT has supposed a significant position in the strategic purposing of pioneer companies in ambitious markets. Especially, e-commerce and e-business have been distinct