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Vivek Kundra says the feds should take a cue from the private sector.

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WASHINGTON WATCH

Federal CIO Calls for Modernizing Gov't IT

WHEN federal CIO Vivek Kundra describes how the Obama administration hopes to use IT to improve public services, he first points to disturbing inefficiencies in the government today.

For example, in a speech earlier this month in Seattle, he said it takes the U.S. Department of Veterans Affairs 160 days to process benefits because it's passing manila folders from one desk to another. The U.S. Patent and Trademark Office takes three years to process a patent, in part because it "receives these applications online, prints them out, and then someone manually rekeys the information into an antiquated system," Kundra said.

"This is not how to run a modern government," he contended. Kundra said the administration is looking to the private sector for cues on how to do a better job with IT.

The administration is cutting wasteful IT projects, consolidating data centers and pursuing cloud computing, he said. And in an effort to make government data more accessible, it's developing public Web sites such as Data.gov and FlyOnTime.us.

In addition, Kundra said he's interested in creating open APIs for government systems that would allow independent developers to create useful applications for citizens, similar to the way developers are creating apps for Apple's iPhone.

Possibilities could include applications that let a person use a smartphone to report a broken parking meter or find out online when the next snowplow will be coming, he said.

— Nancy Gohring, IDG News Service

THINK TANK

Study: Chasing Fashionable IT Doesn't Pay Off

Companies that chase the hottest information technologies gain several benefits, but better financial performance isn't one of them, according to a study published in this month's issue of the journal *MIS Quarterly*.

Ping Wang, assistant professor at the University of Maryland at College Park, studied a decade's worth of data about 109 *Fortune* 500 companies. He found that companies that got good press for investing in "fashionable" IT "did not have higher performance, but they had a better reputation and higher executive compensation."

Wang defined an IT fashion as "a transitory collective belief that an information technology is new, efficient, and at the forefront of practice." He cited data warehouses, ERP, customer relationship management and knowledge management systems as examples of popular technologies in the 1990s.

The analysis showed that corporate reputation scores and CEO pay jumped at companies known for implementing hot technologies. However, the IT fashionistas suffered declining financial performance in the year

after an investment. "It took them on average three years to absorb the negative impacts, recover from the disruptions, and improve performance," Wang reported.

— MITCH BETTS

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