THE EFFECT OF INFORMATION VALUE ON INFORMATION OWNERSHIP

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Abstract

The traditional risk-reward and cost-benefit approaches to IT adoption decision-making allows practitioners to make quantified estimates of known costs and anticipated return on investment but does not help them in understanding the non-quantifiable impact of intertwining a new system in the fabric of the organization. Even when carefully planning and controlling an implementation of a new information system in an organization, the subsequent use and evolving interfacing of the new system with existing systems can blur the total cost of ownership. Adoption decisions become more complex when they concern the outsourcing of an existing system, a choice that may require restructuring of existing system workflow, adaption of organizational processes, and that may ultimately affect the productivity of the firm. This paper proposes an information value framework to both explain recent phenomena related to the adoption of Service Based Computing solutions and to provide a guideline for practitioners when making future adoption and information architecture decisions. This framework goes beyond risk and considers information value as a key component of the identity of a firm and its employees based on the Knowledge Based View of the Firm and the theory of Psychological Ownership.