

The second piece of the puzzle was published in 1996 by Paul Strassmann, a great and often under acknowledged economist. In “The value of computers, information & knowledge”, Strassmann showed that within business there was no correlation between IT spending and the value it created for the business. The work demonstrated that IT wasn’t one thing but instead consisted of many activities. The insight here is that organisations consist of multiple components some of which create value whilst others did not.

The third piece was a Harvard Business Review paper, “Does IT Matter”, published by Nicholas Carr in 2003. This paper discussed the IT industry and demonstrated that as certain aspects of IT became widespread and common they had diminishing differential value and became more of a cost of doing business.

In isolation the three pieces were interesting to note but in combination they implied something remarkable but obvious in hindsight about how activities (i.e. the things we do) change.

- *Activities evolved* through multiple improving versions.
- *Activities were not uniform*; any system could contain multiple components which were at different stages of evolution i.e. there was no “IT” but a mass of components that made “IT”.
- *The characteristics of activities changed as they evolved*; as they became more commonplace they had diminishing