

reforming the U.S. Patent system to encourage more innovation in technology. “Obama supports a number of positions like these that are encouraging,” says Tom Berquist, executive vice president and CFO at Redwood City, Calif.-based Ingres, an information management company.

“He supports Internet neutrality—meaning he wants to keep the Internet open—and he wants to put broadband in every American consumer’s home,” adds Berquist, who is a former software industry analyst at Citigroup and Goldman Sachs. “Obama wants to double funding for basic research over the next 10 years to help the technology and science industries. He also wants to increase protection for American intellectual property in the United States and abroad, particularly in China.”

That said, as other experts and IT decision makers contend, the staggering economic meltdown and credit crisis of the second half of 2008 will serve as the inevitable elephant in the room—a potential roadblock to anything productive that the new administration will attempt that could enhance IT spending.

“Obama is going to have to dig the country out of a recession, which will focus his attention on consumers and away from businesses over the next two years,” Berquist predicts. “His proposed increase in the capital gains tax rate will hurt stock ownership on the margin and make it more difficult for startup tech companies to get funded.

“The [administration’s proposed] increase in taxes for high-income earners will make them less likely to take risks. And building new technology companies is all about taking risks.”

Though these technology challenges seem daunting, keep in mind that no U.S. president ever achieved greatness without leading the country during turbulent times. Many think Barack Obama will be able to do just that by overcoming our current economic crisis—and benefiting the IT industry in the process. ◀



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Government’s Management Challenge BY FAISAL HOQUE

IN GOVERNMENT, AS WELL AS IN THE PRIVATE SECTOR, making good things happen with technology is primarily a management challenge, not a technological one. Technology investment must flow from a clearly articulated strategy, and technology must be deployed by and in organizational structures that are designed to make holistic decisions about technology—and to take full advantage of it.

President Barack Obama emphasizes open government and education, but there are many other national needs that technology can address:

- The U.S. population grew nearly 20 percent between 1982 and 2001, but traffic increased 236 percent. Roadside sensors, radio frequency tags and global positioning systems can fit in where there is no room for more roads. A smart system in Stockholm resulted in 22 percent less traffic and a 40 percent drop in emissions. London, Brisbane and Singapore also are taking advantage of this technology.
- Intelligent oil-field technology can increase both pump performance and well productivity in a business where only 20 percent to 30 percent of the reservoir is extracted and turned into some form of energy. Meanwhile, we lose between 40 percent and 70 percent of our electrical energy due to “dumb” electric grids.
- Electronic health records and networking could eventually save \$81 billion annually. And Computerized Physician Order Entry (CPOE) increases patient safety by listing instructions for physicians to follow when they prescribe drugs. If installed in all hospitals, CPOE could potentially eliminate 200,000 adverse drug events and save about \$1 billion a year.

The Government Accountability Office has its own list of urgent technology priorities for the Obama administration:

- Preparing for and carrying out the 2010 census

- Crucial large-scale modernization efforts at the Department of Defense, the Federal Aviation Administration and the Internal Revenue Service (IRS)
- Establishing information-sharing mechanisms to improve homeland security
- Protecting the federal government’s information systems and the nation’s critical infrastructures.

Information technology can do a lot to address the problems we face. After all, the Wall Street trading room, the doctor’s office and the anti-terrorism command center are, in essence, information markets. And the Social Security Administration, IRS and Federal Reserve Board are sifters of information. These agencies deal in vital information, yet they don’t do much better than many other organizations in getting their technology functioning well. It all comes down to management, pure and simple.

Over the next five years, those who govern at the federal level will inherit the policy responsibilities for tax and other incentives that make this country attractive for technology manufacturing and research; policies that encourage young people to enter technology fields; private/government R&D partnerships that make it possible to do what corporations can’t afford to do alone; and trade agreements with other nations.

The things that concern us the most—terrorism, the economy, health care and even just a better commute—have technological solutions. And we expect the government to come up with them. Our politicians will succeed or fail based largely on how well they manage the technology.

Faisal Hoque is chairman and CEO of BTM Corporation and author of a forthcoming book, The Convergence Scorecard, to be published by the Harvard Business Press. © 2009 Faisal Hoque