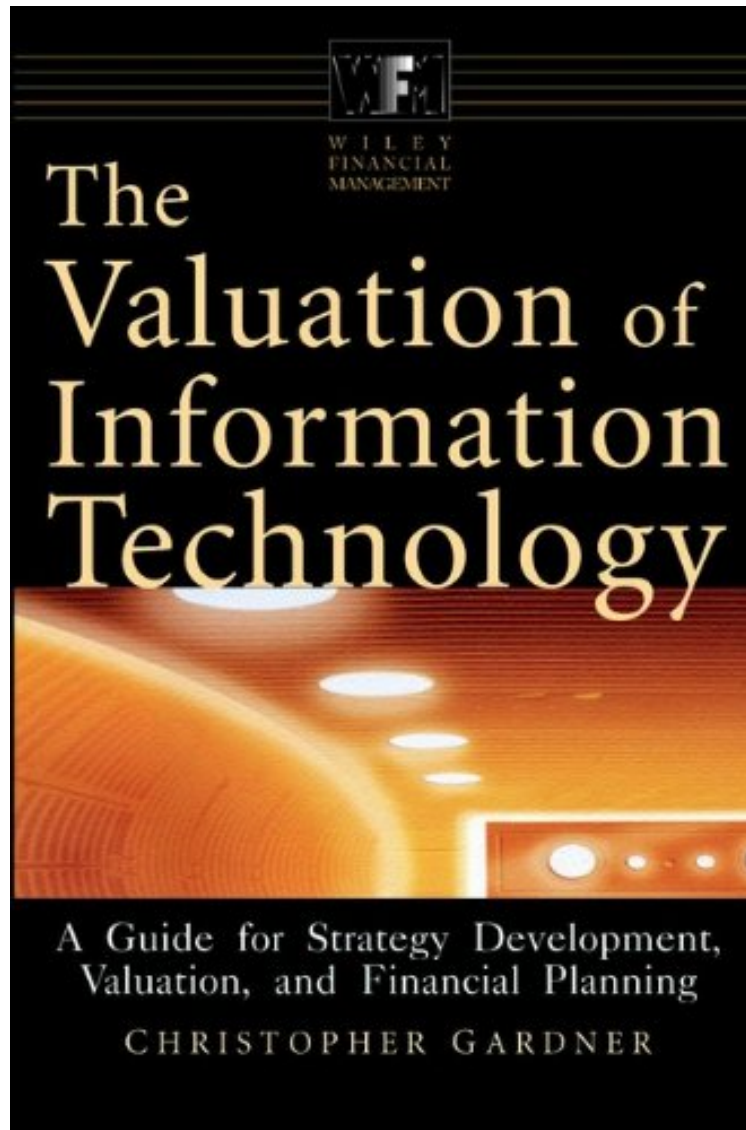


[Mobile pdf] The Valuation of Information Technology: A Guide for Strategy Development, Valuation, and Financial Planning (Financial Management)

## **The Valuation of Information Technology: A Guide for Strategy Development, Valuation, and Financial Planning (Financial Management)**

*Christopher Gardner*

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**Christopher Gardner : The Valuation of Information Technology: A Guide for Strategy Development, Valuation, and Financial Planning (Financial Management)** before purchasing it in order to gage whether or not it would be worth my time, and all praised The Valuation of Information Technology: A Guide for Strategy Development, Valuation, and Financial Planning (Financial Management):

1 of 1 people found the following review helpful. Some good stuff but ...By Jim-COverall, the book is very serious and contains some very good stuff. However, it tends to focus on quite specific valuation problems and technology fields (for example, very good case on evaluating a new technology deployment for cable). And it really focus into de minor details. So if you are involved on these fields and you want to tackle valuation with a very technical approach, this book is for you. Otherwise, for more general approaches, there are other (not many) alternatives out there (such as Boer, Mum, etc.)

0 of 0 people found the following review helpful. Not for an accountantBy TKSHThe Valuation of Information Technology by Christopher Gardner was one the books assigned me to read in my accounting course. From the title of the book, I expected some topics often discussed in the accounting course, such as valuation of intangible properties on financial statements. However, this book had very limited relevance to such topics. In terms of "valuation", all it talked about was to calculate the net present value of future cash flows generated by an information technology system. The book focused more on market research and system designing to develop an information technology system that would generate shareholders' value. Through an intensive market research, a customer segment to be served and its need were found, and an information technology system would be designed in such a way that the customers' need and the design of the system were "aligned". According to the book, an information technology system aligned to customers' need is more likely to generate future cash flows and thus shareholders' value. A shortcoming of this book was the fact that the "valuation" was based solely on the shareholders' value or the appreciation of share price as a result of cash flows generated by an information technology system. As a result, the "valuation" ignored the benefits to other stakeholders and non-cash-flow-generating benefits. In today's business environment, shareholders may be the most important, but not the only, stakeholders of a company; therefore, impact on other stakeholders must be considered to evaluate an information technology system. Also, non-monetary benefits such as improved efficiency from a new information technology system should be as important as monetary benefits such as cash flows generated by the system. One book cannot cover everything, but other stakeholders' perspective and non-monetary benefits are too critical in an evaluation of an information technology system to be just ignored. This book was not beneficial for me as an accounting-major student, but the valuation process presented in the book may be useful in convincing someone that a new information technology system is worth implementing. You can state the intended customers, how the system is designed to serve the customers best, and how much positive impact the system has on the share price. It will make the discussion more convincing.

1 of 1 people found the following review helpful. Book of Limited ResourcesBy Chris ZachThe Valuation of Information Technology by Christopher Gardner is a book of limited resource. Only so many readers from very limited backgrounds can truly utilize what this book has to offer as far as valuation goes. Those that would enjoy Gardner's book would most likely be suppliers, customers, computer programmers, etc. For instance, I, as an accountant, found very little information useful in this reading. This is because its title is quite a bit misleading. Instead of offering various methods on the valuation of information technology, this book provides general definitions of information technology and strategies for potential customers. It also involves the objective of an information technology system, gauging a demand estimate, and obtaining feedback upon implementation. This obviously sounds like a tool that someone who was considering a future information technology investment might use. Although there is a small section on a single valuation model that provides an actual valuation of information technology, it leaves much to be covered. It simply considers the cost of a potential system, as well as, the present value of cashflows provided to shareholders. The author himself states that this method utilizes many assumptions, shortcuts, etc. So obviously there is a lot of inherent risk involved in this process. This leaves those wishing to appraise information technology with numerous questions. Accordingly, my recommendation to read this book only extends to those who are wishing to learn more about what information technology is and how to locate that information technology that would be especially suited for their business.

Top executives support The Valuation of Information Technology "This is the first book which I have seen that places corporate decision-making on a logical and quantitative basis. Decisions which have traditionally been done by the 'seat of the pants' are subjected to the same rigorous analysis as is routine in the hard sciences. I think this book strikes off in a completely new direction and deserves to be read by anyone contemplating a career in business." -Dr. Mel Schwartz, Nobel Laureate in Physics 1988 and Professor Emeritus, Stanford and Columbia Universities "An insightful, rewarding evaluation of information technology-with the aim being the creation of shareholder value. Chris Gardner's detailed work shows how powerfully constructive and destructive the forces of innovation can be. Mastering information technology is the key to twenty-first-century commercial success. This book is a driver toward that mastery." -Tom Gardner, The Motley Fool (Fool.com) "Finally, a clear set of tools for those of us who are trying to find a path through a jungle of complexity. Chris Gardner has clearly and crisply provided a road map of rationality to help direct our path through a chaotic world of accelerating change." -Peter Sprague, Founder, Chairman, and CEO, Wave Systems, and former Chairman of National Semiconductor "The Valuation of Information Technology provides a practical, step-by-step approach for analyzing the attractiveness of an information technology system.. Highly recommended." -Derek R. Reisfield, Vice Chairman, Luminant Worldwide, and formerly President, CBS New Media, Chairman, Marketwatch.com, and Member of the Board, Sportsline USA "Information and technology are

transforming commerce and challenging traditional valuation methods. The Valuation of Information Technology builds a bridge between familiar valuation, grounded on customer value, revenue, cost, and earnings contributions all on the one side, and the returns available in the new information technology context on the other. With these tools, added to thoughtful application and judgment, you will be a wiser leader investor, and consumer." -Stephen B. Bonner, President and CEO, Cancer Treatment Centers of America "Chris Gardner's book comes at the right time for many businesses which can no longer afford the guessing or the hip-shooting that has been the solution algorithm in many companies. He points out the systemic thinking that is possible and the discipline that is required to tackle the issues in a sound, responsible, and competitively superior way." -Dr. Rainer Famulla, Partner, Andersen Consulting "The Valuation of Information Technology tackles the tough problem of defining the value of new technologies company shareholders using integrated analytical techniques. The methodologies presented in the book are essential to any successful new business development. I highly recommend it." -Dr. Khasha Mohammadi, President, e-Networks, and formerly of Bell Labs "Clearly we have entered an era where many organizations are making 'bet the company' investment decisions in information technology and the Internet. Unfortunately, many of these investments are made on an emotional basis alone. The Valuation of Information Technology provides a significant advance in our ability for making these decisions on a more thoughtful, analytic basis." -Frank Ostroff, Author of The Horizontal Organization "For the first time, The Valuation of Information Technology marries corporate finance with technology marketing to create a technology decision guide focused on what matters most-shareholder value." -Jim Szafranski, Marketing Manager, Tut Systems