

# ALIGNING IT AND BUSINESS

## Bridging The Eternal Gap

**O**rganizations have been trying to better align IT with business goals for years. But recently the need to link technology investments with the overall business strategy has taken on a greater sense of urgency. Global markets have become far more competitive, and businesses rely more than ever on IT not only to support processes but also to generate revenue and provide vital services to customers.

The process of aligning IT and business goals has always been a challenge. Business goals are not always clear, and at many organizations IT is still treated as a cost center that doesn't play a significant strategic role.

Organizations can overcome these challenges by putting in place best practices and technology that ensure that IT and business goals align. These include clearly articulating the business objectives of the organization, removing boundaries between IT and the business, and automating business processes wherever possible.

### Alignment is Critical for Success

IT alignment with business goals is more important than ever. Think of all the business processes now enabled by technology: finance, supply chain activities, manufacturing, marketing, sales, human resources and procurement, to name a few.

Markets are more competitive because of global shifts. For companies to keep their edge, they must ensure that all back-office systems support the most important functions of the business, and frequently

on a 24/7 basis. System and network downtime—even for a matter of hours—can result in millions of dollars in lost revenue, not to mention unhappy customers and disgruntled business partners.

Fortunately, executives appreciate the increasing importance of aligning IT and business. An IDG Research Group survey of 300 business and IT

executives, conducted in the spring of 2007, deems it the No. 1 IT priority. More than one-half of the respondents rate alignment as a critical IT priority at their organizations, and 81 percent say alignment is a critical or high IT priority. More than one-half say aligning IT with

business goals will increase in importance over the next 18 months.

For some organizations, business alignment often determines what IT spending levels will be. "Our IT spending is limited to supporting the business goals," says Roger Jaffe, CIO at APS Healthcare, a provider of specialty health care solutions. "Unless I ask for an appropriation that supports a current business goal, I'm not going to [get the money]."

When Jaffe puts together his budget, he lists both the business goals of the company and the resources necessary to support that particular goal. "I can tell you by each of the business goals what it's going to cost for me to support it this year," he says.

### The Challenges to Alignment

Aligning IT and business isn't easy. According to the



survey, a large number of executives lament that their organization has been only modestly successful at aligning IT with business goals and with automating IT operations and processes. Only 15 percent say they have been very successful at aligning IT and business goals, and just 9 percent say they've been very successful at automating IT operations and processes.

One of the challenges to alignment is that the actual business goals of the enterprise are not always clear to IT, and they're not always well articulated within the organization as a whole.

Another challenge is that despite the fact that technology has become much more critical to day-to-day business operations, at some organizations IT is still considered a cost center. IT management and staff often are not properly trained in business issues. Real and perceived boundaries exist between the IT

department and the lines of business, and many of these boundaries are organizational.

"Often, IT executives are separated from the business side; that is, they may not be adequately involved in strategic decisions and processes that will move the business forward," says Richard Whitehead, director of product marketing at Novell. "Also, there are perceptions that IT does not understand the business and is only part of the company to fix computer systems," Whitehead says. "Companies can shift this perception by giving IT a seat at the table, so it can help enhance systems and build processes that support business growth."

Finally, the IT department is often so wrapped up in supporting day-to-day operations that devoting time to long-term business goals is difficult. "Lots of times we tend to focus on where we are right now or the very short-term future rather than projecting where we want to be two to three years down the road," says Chris Rapp, director of technology at Sovereign Bank. "We need to forecast a little bit better. We could line up the business goals along with what it would take to [achieve those goals] on the IT side."

## TECHNOLOGY SOLUTIONS that Foster IT-Business Alignment

Enterprises can implement technology solutions to help automate processes and improve the delivery of IT services to the business.

Novell® offers a number of products designed to help organizations achieve automation. Systems Management from Novell is a comprehensive set of integrated services—based on the IT Infrastructure Library (ITIL) framework—that orchestrate IT management and business processes across diverse server and client platforms.

Novell's ZENworks® offering is a comprehensive set of integrated tools that automate IT management and business processes across the lifecycle of desktops, laptops, servers and handheld devices. ZENworks automatically enforces business and IT policies to dynamically manage and maintain IT resources based on user and asset identities.

Novell ZENworks systems and resource management family works from the desktop to the data center, allowing enterprises to determine how well IT is delivering a full spectrum of services to support the business. The applications help IT executives find relevant metrics that show how well business aligns with IT, the level of service quality supportive of that alignment, and the cost efficiency in delivering service to the business.

### Adopting Best Practices

For organizations to have a better chance of aligning IT and business goals, senior executives such as the CEO need to clearly articulate the strategic objectives of the organization to key stakeholders. They should update these goals on a regular basis to reflect the changing needs of the organization and shifting market conditions.

C-level executives need to keep CIOs and others in IT management aware of the business goals. In order for that to happen, executives must tear down any informational or cultural boundaries between the IT department and the lines of business. Senior IT executives should be part of the strategic planning group or similar management committee and, ideally, be involved in all major business decisions and processes.

Jaffe says he's part of the executive committee at

## Survey Takeaways

Here are some of the key takeaways from the spring 2007 IDG Research Survey:

- Companies that are well-aligned typically include the CIO or senior IT person as part of the executive committee.
- In well-aligned companies, IT is brought into new projects from the beginning rather than as an afterthought.
- Frequent communication between IT and business is essential to successful alignment, and it needs to take place at all levels within the organization.
- Separate "liaison" roles, whether reporting through IT or the business unit, help foster alignment.
- Automation of business processes can play a significant role in aligning IT and business.

APS and is aware of business goals. The company is making moves to achieve even greater alignment of business and IT, he says. Currently, business units present their needs to IT and then IT holds separate planning sessions based on those business-unit goals, Jaffe says.

In the future, in the place of the business units presenting goals to IT, both groups will participate in joint planning sessions. "Thus, as the business unit is developing its strategy and goals, it can incorporate technology into it from the very beginning," Jaffe says.

APS has created specific roles within the organization to bridge the gap between IT and business. One is called IT liaison, a person from IT who works with a specific business unit. The other role is IT director, someone within a business unit who acts as an IT liaison.

In some cases, to help achieve better alignment, it might make sense for an organization to give the CIO or other high-level technology executive a seat on the board of directors. At the very least, the top IT

executive should be a key architect of processes that support business growth. In order to be able to address broad issues effectively, the CIO needs a thorough working background or education in business issues.

### Benefits of Automation

Another good practice is to automate processes wherever possible.

"The more tasks that can be automated, the [more] apt organizations will be to react to changing needs," says Whitehead. "Automation enables IT staffs—and ultimately end users—to spend more time on strategic initiatives instead of spending valuable time dealing with manual processes. This enhanced productivity has a direct impact on an organization's bottom line. It's also critical to put IT processes in place that will align to the business. For example, providing higher service levels to the accounting department at the end of the quarter."

Automation is a major goal of 180 Medical, a business that supplies medical equipment. The company is deploying a warehouse management system and electronic patient records system to automate their processes.

"One of our big objectives is to really leverage technology to streamline the existing process," says Mike Harman, CIO. "We still have a lot of paper-based processes, a lot of people doing a lot of manual work and spinning their wheels," he says. "We can build in a lot of efficiencies by leveraging technology."

Many tasks can be automated in the data center, says Whitehead. "The data center is the heart of the organization, and it must be flexible and adaptable," he says. "For example, using a policy, data center resources can be automatically reconfigured to meet rising customer demands on your Web site."

According to the IDG Research survey, organizations are seeing a variety of benefits from automating IT operations and processes. The respondents who say their organizations are using automation cite benefits such as an increase in IT productivity (70 percent of

respondents), an increase in end-user satisfaction with IT (54 percent), improved return on IT investments (52 percent) and reduced costs (50 percent).

In addition to automation, organizations can put in place IT processes that will help align to the business, Whitehead says. For example, they can provide higher levels of service to the accounting department at the end of a quarter, when the department is most busy.

Best practices frameworks such as the IT Infrastructure Library (ITIL) and Control Objectives for Information and Related Technology (COBIT) are becoming more common as ways to help improve IT services and create processes that match business needs. These frameworks enable different groups and departments within an organization to speak a common IT language, allowing everyone to understand the processes. They also provide a proven standard for building services that match the needs of both business and IT.

Surprisingly few organizations have adopted or are planning to deploy ITIL and COBIT, according to the IDG Research survey. A mere 1 percent say they have fully deployed the frameworks and about one-third say they're at some stage of planning a deployment or implementing the frameworks.

The low rate of adoption might be one of the reasons why so few respondents report success at alignment and automation. It's important that organizations understand that they don't need to launch a full-blown implementation of ITIL but instead can build a process based on some components of the framework that works best for their organization.

In addition to these best practices, organizations

can deploy technology solutions that help IT better serve business needs and goals (see sidebar, "Technology Solutions that Foster IT-Business Alignment").

### Moving to the Same Page

Aligning technology with business goals and strategies has never been more important. Unfortunately, alignment is not easy to accomplish. But those organizations that use a combination of best practices and technology solutions can make IT more business savvy, automate a variety of tasks, and use systems and applications more effectively to meet business goals.

IT and business alignment requires constant communication between technology and business executives. Rapp of Sovereign Bank says he tries to be as detailed as possible in documenting, outlining and making notes on technology projects, and then presenting that information to the business units and managers of each department.

"I try to do a good job of making sure that the left knows what the right is doing," Rapp says. "I want to make sure that all departments know, at least from stuff that affects the IT department, exactly what

we're doing to keep everyone up to speed and on the same page."

That kind of approach will help ensure that IT and the lines of business operate in harmony. ■

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