

This seminar explores the concepts of business / IT alignment in short-term IS Projects.

- Introduction and plan
- What is alignment
- Strategic business / IT alignment
- Project-level alignment
- Duality and agility
- Alignment model
- Some findings and results
- Summary

22 April 2005



Noun: Alignment

1. An organization of people (or countries) involved in a **pact** or **treaty**.
2. The spatial property possessed by an **arrangement** or **position** of things in a straight line or in parallel lines.
3. (astronomy) **apparent meeting** or passing of two or more celestial bodies in the same degree of the zodiac.

Verb: Alignment

4. The act of **adjusting** the parts of a device **in relation to each other**.

Agreement

Configuration

Perceived Fit

Relative Adjustment

WordWeb

make uniform

- homogenise
- stamp
- level
- equalise
- **assimilate**
- liken
- institutionalise
- standardise
- stereotype
- normalise
- **regularise**
- conventionalise

adjust

- agree
- consent
- coincide
- **mesh**
- match
- cooperate
- seek accord
- fraternise
- rectify
- restore
- **fit**
- accommodate
- conform
- **harmonise**
- correlate
- arrange
- balance
- compensate
- tailor
- concert
- synchronise

arrange

- set
- lay out
- orchestrate
- compose
- rank
- line up
- position
- marshall
- array
- **bring together**
- place in order
- collocate
- thread together
- **connect**
- settle
- fix
- allot
- allocate
- assign
- tidy

straighten

- flatten
- unbend
- uncross
- dekink
- uncurl
- **smooth**
- **stretch**
- tight

Alignment?

Roget's Thesaurus

Business scope = the key descriptors of the business, i.e.

- **Vision: the guiding theme**
- **Mission: a high-level business objective**
- **Values: ethos**
- **Customer / markets: to whom we sell**
- **Products / services: what we sell**
- **Geography: business location**
- **Strategic intent: long-term objectives**
- **Driving force: primary business determiner**
- **Sustainable strategic advantage**

Alignment = the process of ensuring that business is in the state of a strategic fit, i.e. all business functions operate in harmony with each other to support business scope.

- **Coordination**
- **Perseverance**
- **Concentration of effort towards objectives**

(Boar 2001, p 143-151)

Lack of Business/IT strategy and alignment may result in:

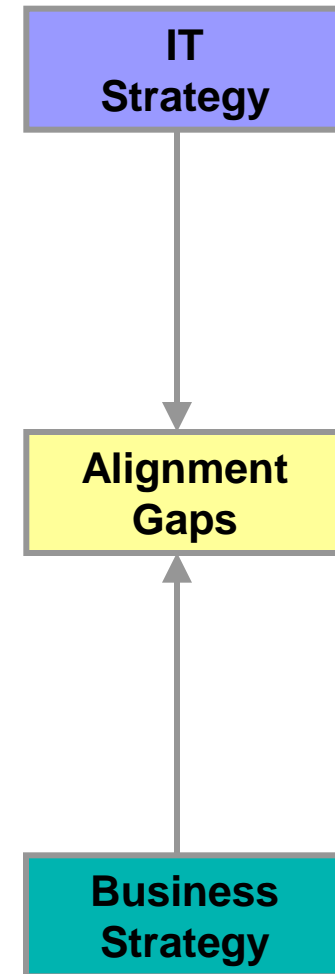
- **Business opportunities are missed.** Systems and technology investments which do not support the business objectives become a constraint to business development.
- Lack of system integration produces **duplication of effort.**
- Priorities which are not based on business needs result in **sub-optimal resource levels** and **shifting project plans.** As a result business performance does not improve as expected and **low IS/IT productivity.**
- Technology strategy is incoherent and incompatible options are selected, leading to **money wasted** in attempt to retrospectively fit business and IS/IT components together.
- Lack of direction and understanding among users, management and IS/IT specialist may lead to **conflict, inappropriate solutions** and **wasted resources.**

(Ward and Peppard, 2002 p xii, 47-48)

Having an effective Business/IT strategy results in alignment which can be perceived as having the following effects:

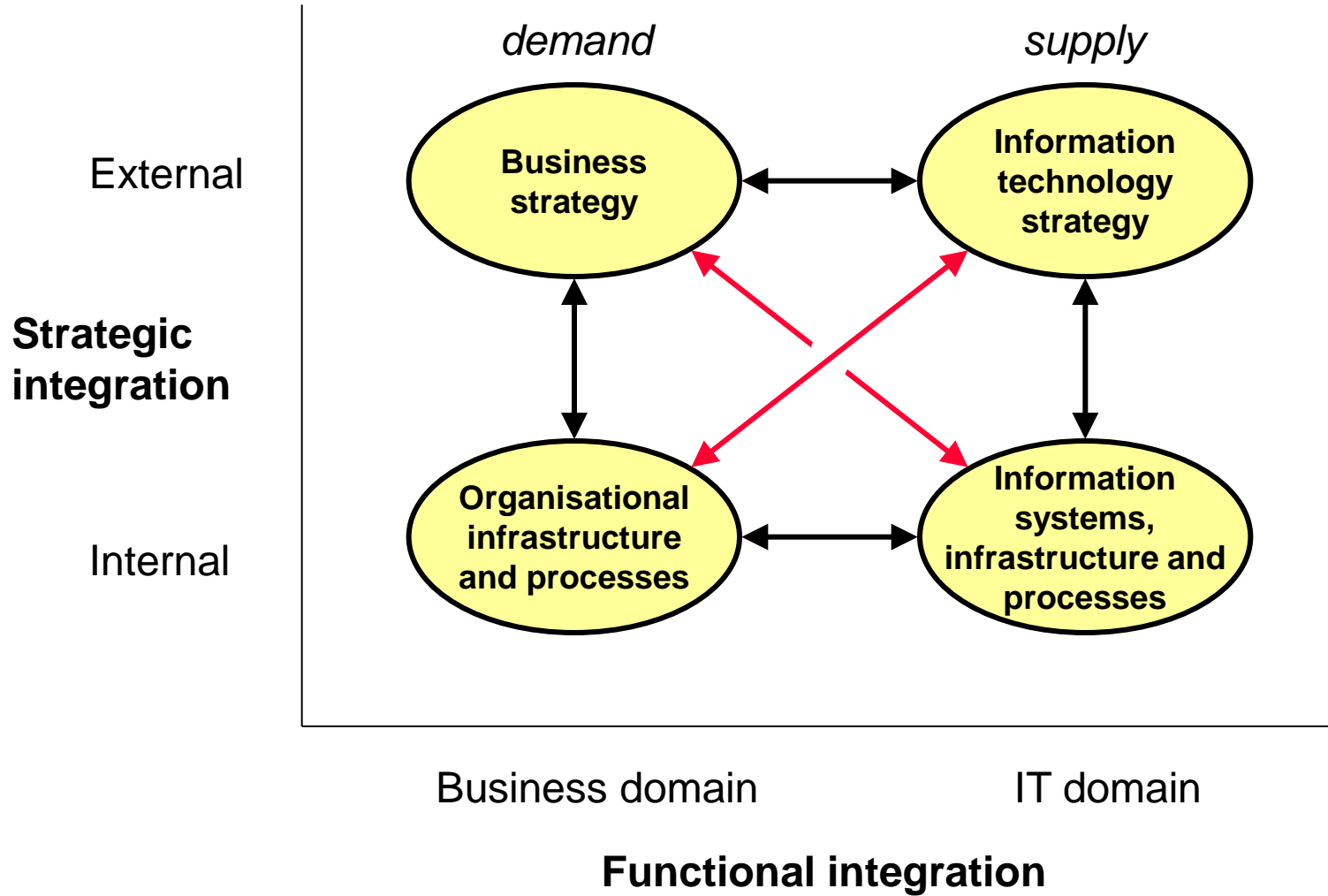
- The underlying information systems become **invisible**.
- The entire information technology and information systems infrastructure become **seamless part** of the whole business.
- The business exhibits characteristics of **agility, responsiveness, and flexibility**.
- Personal, organisational and market **objectives becomes reconciled**.

- Business/IT strategy is composed of two parts, i.e.
 - **Business strategy = demand** which defines the organisation's requirement – the demand for information and systems to support the overall business strategy.
 - **IT strategy = supply** which defines the organisation's vision of how demand for information and systems will be supported by technology – the supply of IT solutions.
- The alignment process aims at closing the gap between these two strategies.



(Ward & Peppard 2002, p 44)

The strategic alignment model explains that alignment occurs when functional integration is achieved between business and IT domains, their strategies, processes and structures.



(Ward & Peppard 2002, p 45)

- The majority of business and IT literature discuss alignment as a long term process leading to harmony of the participating parties.
- The modern IT practice adopted many development approaches which prevent long term process to occur, e.g. outsourcing, off-shoring, market driven development, rapid development, etc.
- These trends indicate that business may not have the luxury of time to evolve and align optimally.
- The new approaches need to recognise that external environment is volatile, that technology is in a state of total flux, and that rigid alignment may prevent organisational responsiveness.
- **And so the concept of a project-level alignment becomes more and more important and is a central theme of this research.**

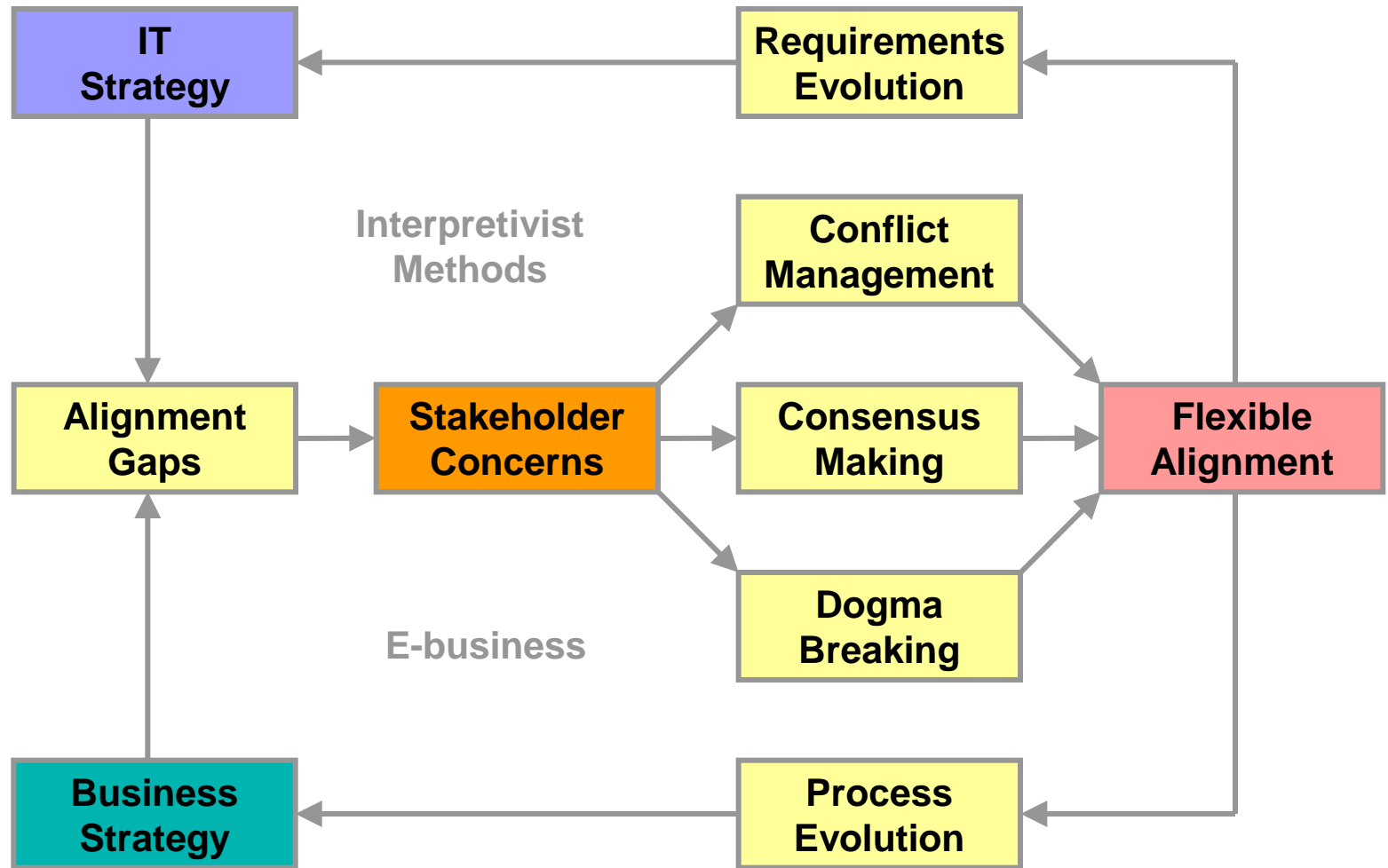
Lukaitis and Cybulski (2004) suggest that modern view of alignment must take into account volatility of internal and external environment. Dynamic and flexible evolution of business and IT strategies must be at the core of the alignment process.

- Alignment occurs when the needs of the business are met by its IT.
- As the business changes, IT keeps up with these changes.
- The interface between business and IT can be characterised as a "very good fit".
- Business must be the driver for the IT, not the other way round.
- Also, alignment occurs when business processes rely on the implemented IT.
- Also, as IT offers opportunities business strategy uses them to its advantage.
- Alignment must be a "best fit at a time", flexible to accommodate internal and external volatility.
- Business and IT become a new transformed entity, together evolving business strategy.

Traditional view

+ Modern view

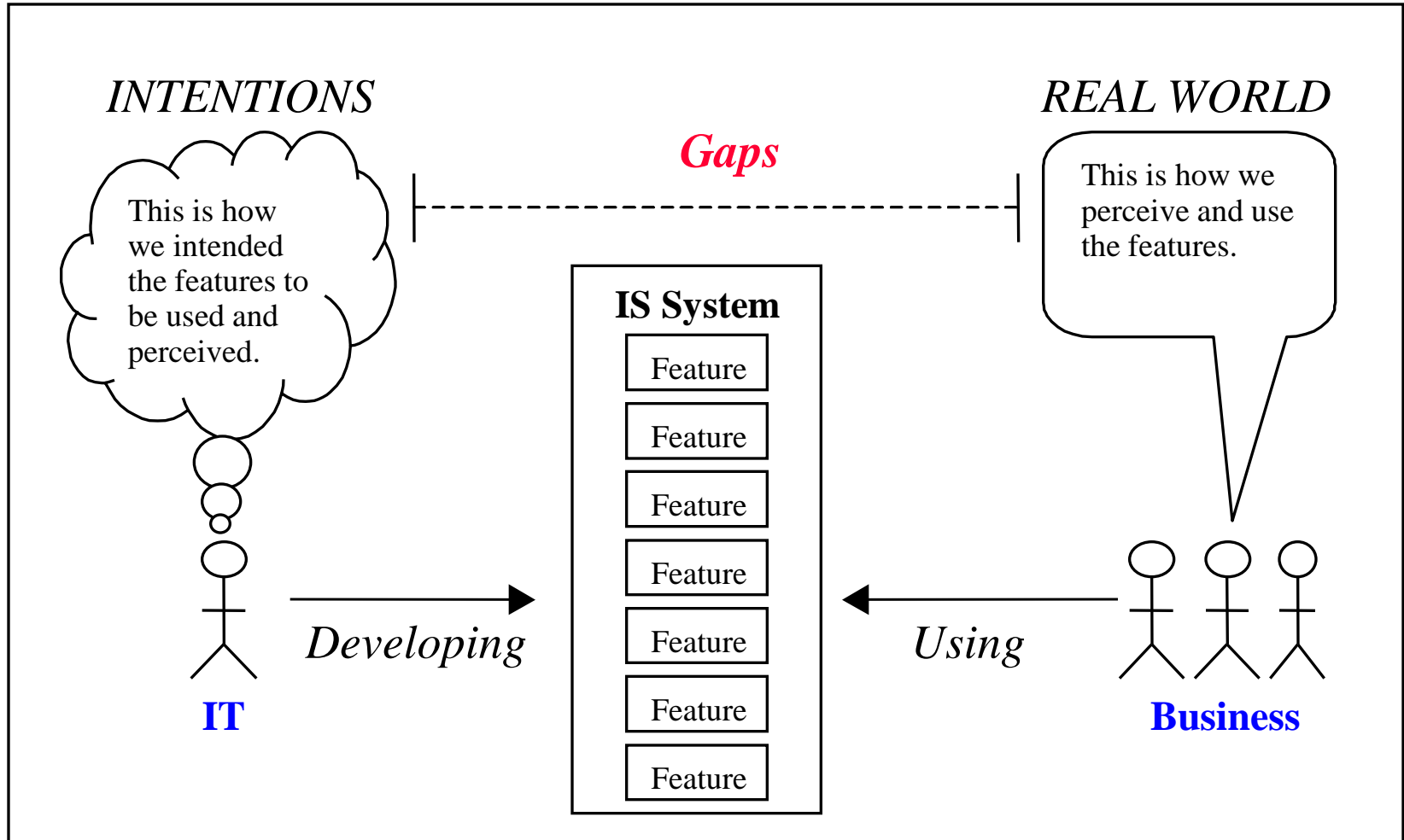
Alignment is a continuous process of closing the gap between business and IT strategies by evolving IT system requirements and business processes with a view to reduce stakeholder concerns while retaining maximum flexibility.



"While alignment is discussed extensively from a theoretical standpoint in the literature, there is scant empirical evidence regarding the appropriate route to take in aligning business and IT strategies."

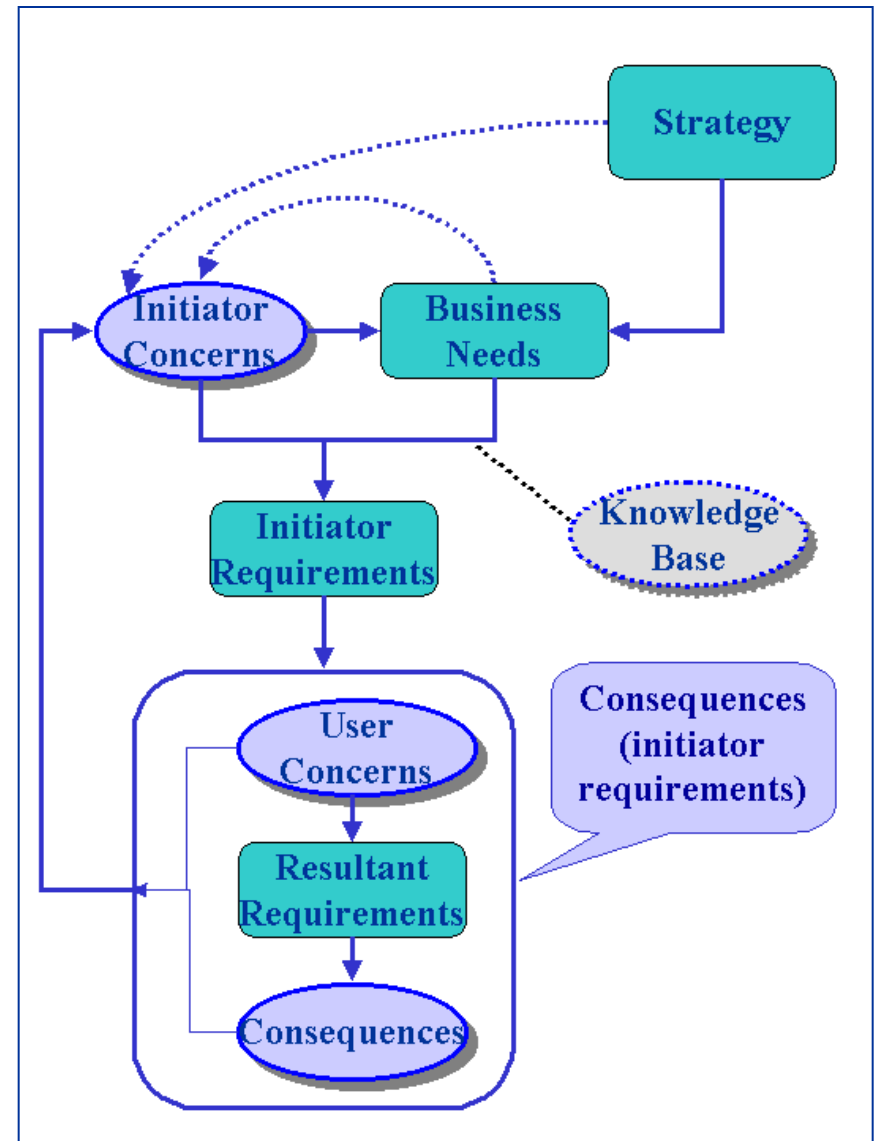
(Luftman 2000, p 9)

Caruana, Wilkin and Cybulski (2004) investigate the success of IS and note significant discrepancies between designers' intentions and users' perceptions of business objectives. They also proposed a framework for the identification of such gaps in e-systems, where the gaps seem greatly pronounced.



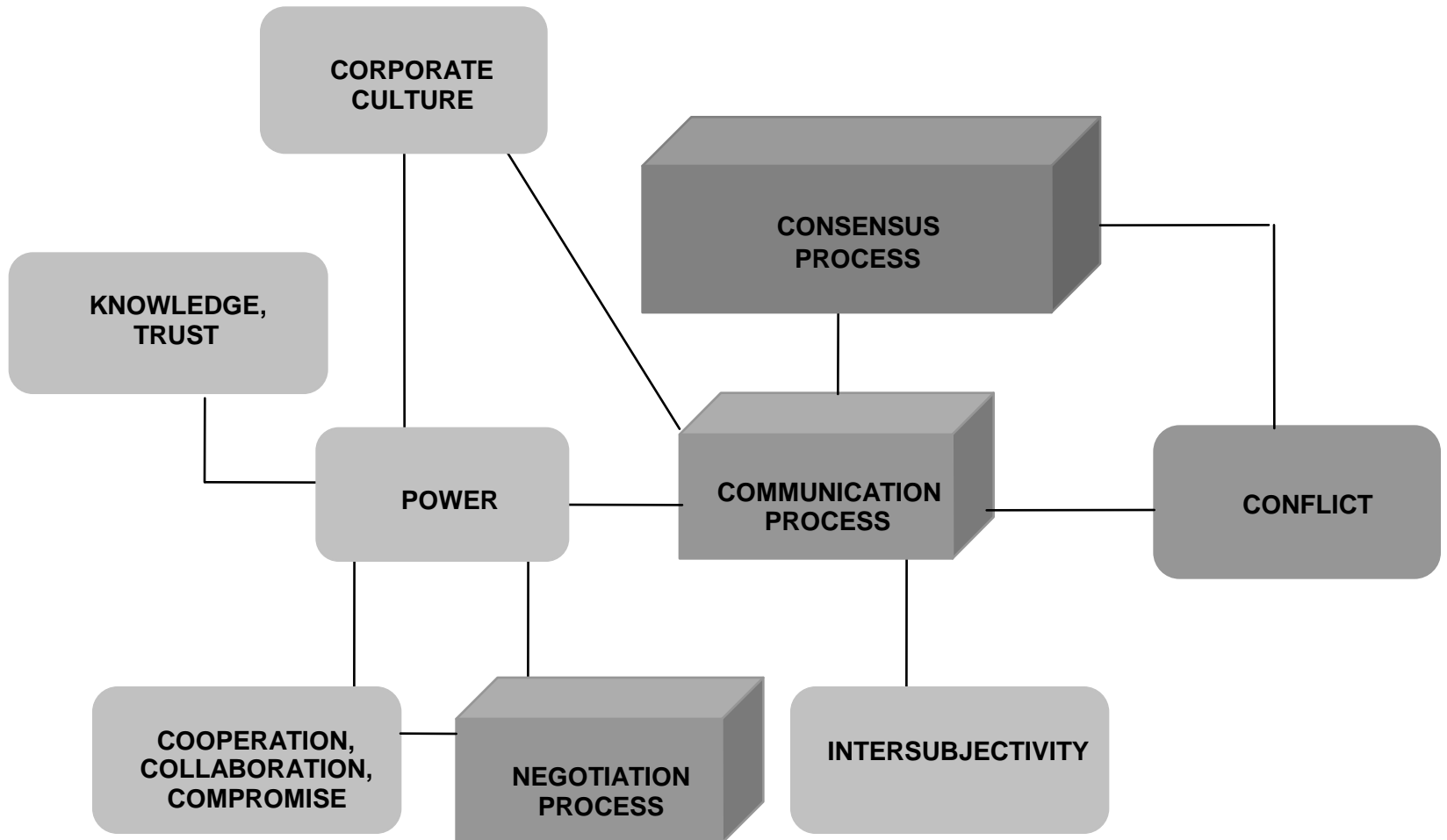
Sarkar and Cybulski (2003) proposed a model of requirements evolution driven by the existence of stakeholder concerns.

- Conflict antecedents are present in concerns.
- The model is cyclic, in which concerns usually lead to the specification of new requirements.
- When iterations are blocked, concerns may lead to conflict.
- Enterprise- or domain-experience base is often organised and used.



(Sarkar and Cybulski 2003)

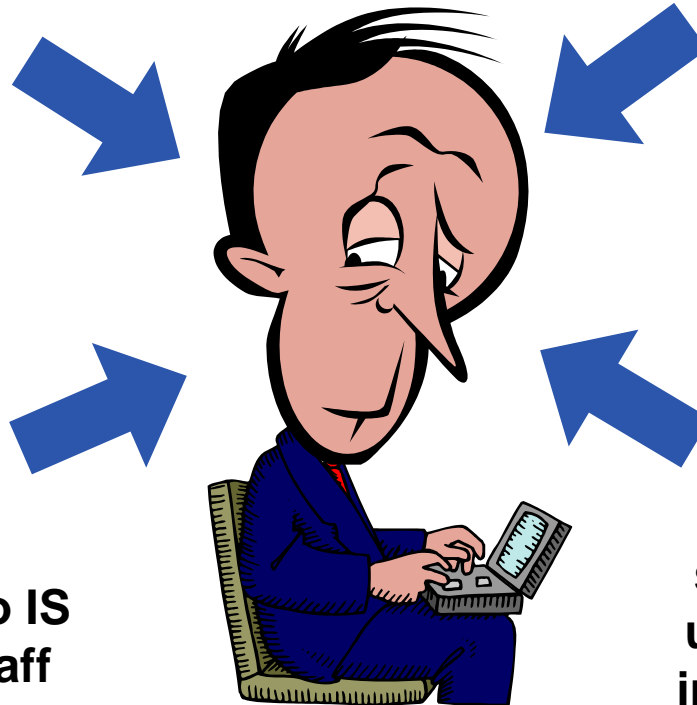
Price and Cybulski (2004) study methods of effective consensus building with a view to better align IS solutions and business needs. Culture, knowledge, trust, power, conflict, cooperation, collaboration, compromise and intersubjectivity are found to be of special significance in stakeholder communication, negotiation and consensus making.



Lukaitis and Cybulski undertake the empirical study to understand the factors influencing the successful business / IT alignment.

understanding of core business, goals and objectives and processes

experiences in IS-induced change of organisational structures and processes



experiences with resistance to IS by incumbent staff

factors of influence in successful and unsuccessful IS implementations

(Lukaitis and Cybulski 2004)

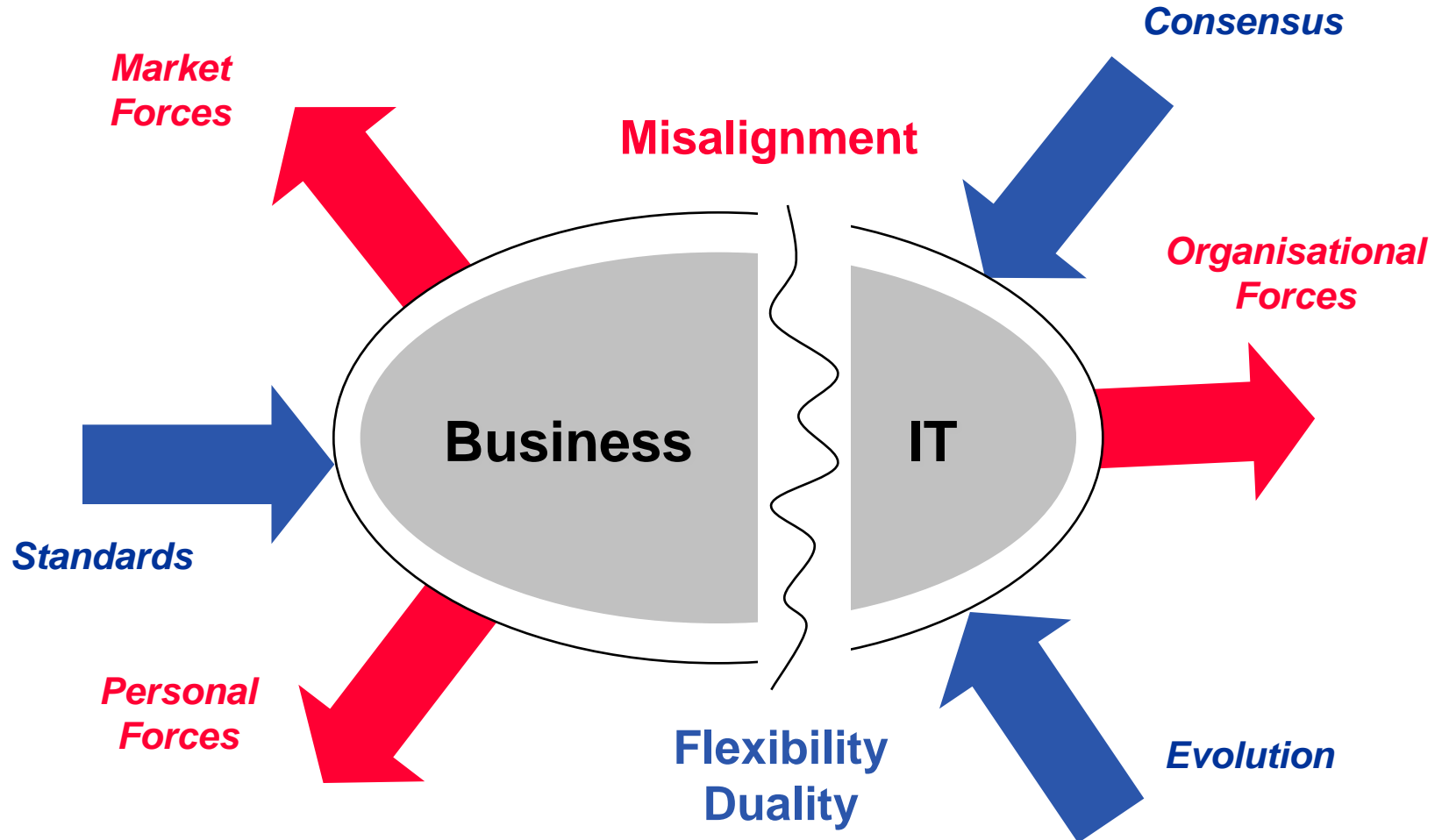
Luftman (2000) proposes a method of assessing, improving and achieve alignment maturity. His analysis identifies and evaluates 12 distinct components which impact the alignment process.

- **Business strategy**
 - Business scope
 - Distinctive competencies
 - Business governance
- **IT strategy**
 - Technology scope
 - Systemic competencies
 - IT governance
- **Organisational infrastructure and processes**
 - Administration
 - Processes
 - Skills
- **IS infrastructure and processes**
 - Architecture
 - Processes
 - Skills

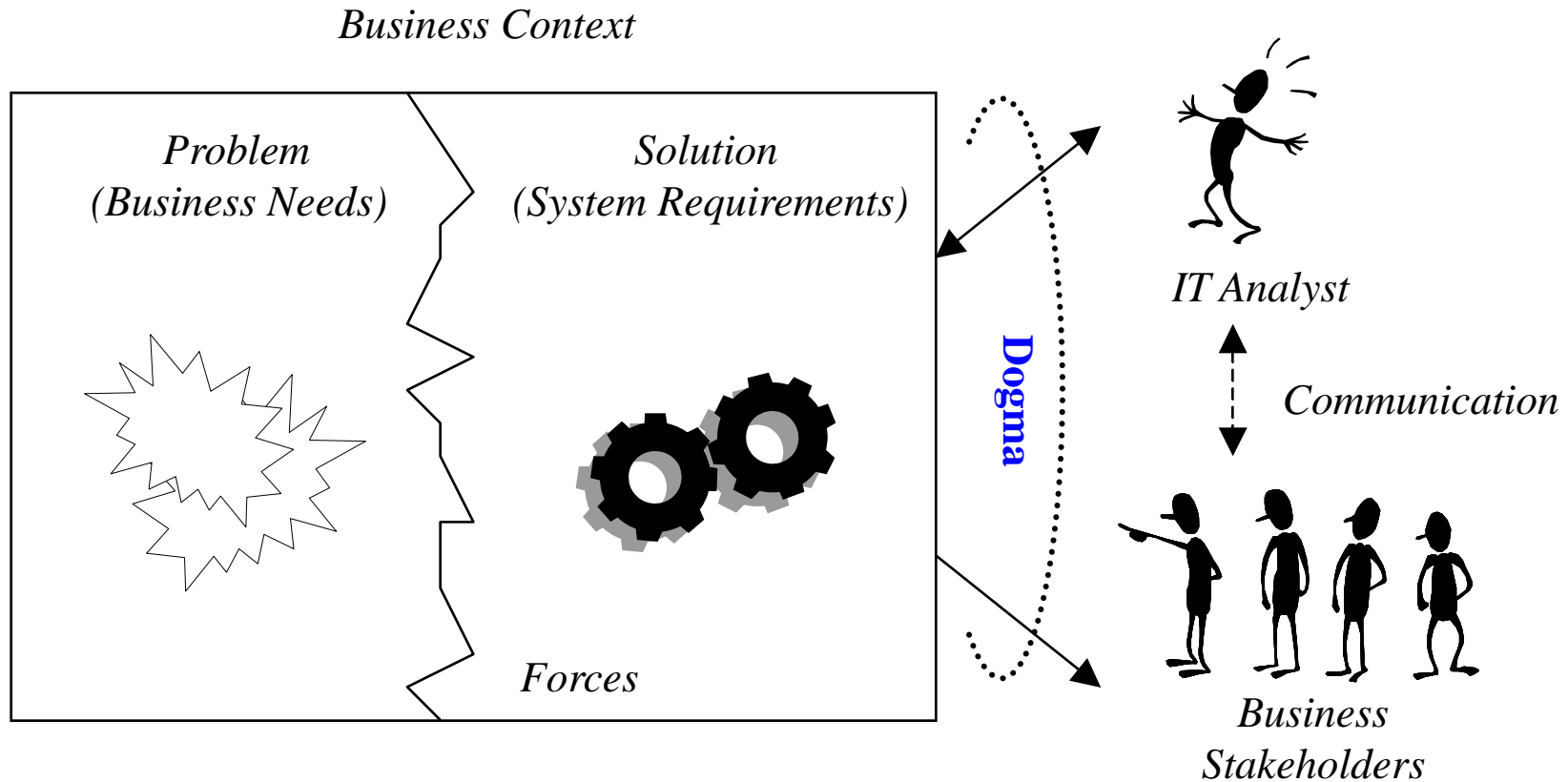
In our studies additional factors come into prominence, i.e. flexibility and duality.

Alignment Model: Need for Flexibility

Market, organisational and personal forces create environmental volatility which prevent long term alignment of business and IT. Best alignment needs tolerance for a degree of misalignment, thus, flexibility on both sides of the seam is needed.



Finally, Cybulski with Nguyen, Thanasankit and Lichtenstein (2003), Moloney (2004), Dallman (2005) and other colleagues and students in the School of IS, we are probing into the nature of creativity in IS development, with a view to breaking deeply entrenched stakeholder dogmas, which often prevent effective IS alignment.



- **Business / IT alignment is one of the most important objectives of modern enterprise.**
- **Strategic and project-level alignment are needed in contemporary IT investment.**
- **Agility and duality are indicative of flexible alignment.**
- **An alignment model should consider the importance of external and internal volatility.**
- **A model was proposed which defines alignment is a continuous process of closing the gap between business and IT strategies by evolving IT system requirements and business processes with a view to reduce stakeholder concerns while retaining maximum flexibility.**
- **Thank you...**



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