

How aligned is aligned?

John McDermott and Graham Huzzey-Morgan consider the importance (or not) of aligning IT and the business.

ONLY WHEN BOTH PARTIES SEE VALUE CAN YOU BE TRULY ALIGNED.

With all the focus which is now put on alignment to the business there is the chance that we will forget the specialist role which we in IT undertake. One of the key messages from this article is that whilst it is important to understand that everyone has been recruited in order to enhance a business process (everyone should be thinking along the lines of 'how will my actions affect the business') each individual within the team also has their own skill set to utilise and we have to 'allow technicians to be technicians and to remain technically focused'.

We are in a position of needing to balance the importance of service and business understanding against the technical knowledge required by our staff. There is a divide within the industry at the moment between whether we should be recruiting staff with a highly technical skill set and teaching them the softer business skills, or whether we should be taking business graduates and teaching them the technical skills. These are two very distinct schools of thought and only time will tell which is the right decision to take.

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Generally speaking we are always talking about ways to align IT and the business, so why do we never hear about the need to align HR or finance to the business? Are we not all the same? We all facilitate business solutions in the form of outcomes that ultimately provide business value. The point being that, while it is okay to talk about aligning IT with the business, we really should be concentrating on delivering business outcomes and business value. There will, of course, be some who will quite reasonably say that without being aligned we cannot achieve the latter. We believe that in many cases we are already sufficiently aligned with the business and we should be concentrating our efforts on delivering value. Improving value to the business will have tremendous and significant benefits for everyone and, as a result, the alignment question will fade away.

But, as the title is asking, how aligned is aligned? Let us first look at the Wikipedia definition of business/IT alignment:

'Business/IT alignment optimises the relational mechanisms between the business and IT organisation by working on the IT effectiveness of the organisation in order to maximise the business value from IT.'

Changing perceptions and embedding relationships

Now let's explore this further.

There is history behind the whole issue of alignment. The business used to hear 'leave it to us, computer stuff is really complicated', which has resulted in the business having an image of IT as techies working away in a basement, or as a cause of business failure due to the inadequacies of IT. The result is that some businesses continue to view IT as a cost, not as a creator or an enabler of business value. IT has been doing a really great job for businesses everywhere, but we are not very good at communicating our abilities, capabilities or total worth to the business – is this not what ITIL V3 is calling 'delivering value to the business'? So, in this context, by 'optimising the relational mechanisms' we need to address this to ideally change the perception from a business cost to that of a business value-add. In doing so we will influence the behaviour of the business, so IT will no longer be seen as a cost the business will always want to optimise (cut), but rather as a value-add that the business will want to explore (invest-in).

Remember that the business and IT will already have a relationship with each other. Given more understanding of each other's needs, a more effective relationship will be developed and more value will be derived by the business. Communication must be a two way

street, using a common language; what may be considered by IT as a risk must be translated into a business risk and a subsequent potential business impact. Business must accept responsibility for that risk or do something about it. IT needs to be able to suggest, react and respond to the needs of the business in a manner and timeframe that will add value to the business. For their part, the business must understand the limitations and costs of IT, and not hide from their responsibilities.

If business and IT are aligned, then the business will deal with levels of risk as directed by its governance policy. This will be either manageable or acceptable. However, IT should always be looking to militate against these risks and not be afraid to offer new solutions as technology advances and new services become available at a cost that the business can justify. A measure we could use for alignment is how well IT understands the value that the business derives from each service that IT provides. Good alignment will facilitate a direct correlation between IT and business services, so that true risk and impact assessment can be carried out and business focused prioritisation applied. This also dictates the focus of service improvement programmes so that value to the business is maximised.

So, the relationship should be such that it is second nature (embedded) to make sure that the business understands everything IT is doing (nothing is hidden). Why? – because you both value the relationship and because you both really understand the importance (value) of the service that is being provided. To say "we are having some downtime on your service to do some techie stuff" appears, or can be perceived, that IT is hiding something. Telling the business what IT is trying to achieve and how it will help and benefit both parties will start to build trust for the long term. The business will soon come to believe that what IT is doing is to improve the service and guess what? You will get buy in.

Delivering business value

Another approach is to consider that the IT and business alignment question can be answered simply as 'it either is, or it is not'. However, you must recognise that, in reality, there is some middle ground and that IT will be more aligned to some business units than to others. Look to those with the most success and you will probably find that it is directly related to the effort expended in developing and maintaining that relationship. Also look at the success of those large corporations, they will have high level IT representation at the board level. Compare this with those that hide IT away as part of another department.

Be warned though, you only get to the boardroom by demonstrating that not only do you understand the business and its drivers, but that everyone in IT is aware of the potential impact of their actions with respect to delivering business outcomes and value.

There are two extremes. For example, if you are working as a database analyst for an international drinks manufacturer, is your job to manipulate data and databases? No! You have been employed to assist in the manufacture, delivery and selling of your brand of drinks to an international community – you help to make and sell drinks! To do so, you need specialist skills to analyse data for the preference of the business. The outcome of your job is probably to ensure that the data is clean, accurate and presented to other parts of the organisation in such a way as to give your business a competitive edge. The other extreme is that you analyse data in a way that you believe is right with no regard to a desired business benefit and that, in the collection of this data, no business impact is taken in to account. In truth we have to strive to achieve the right balance of business awareness (how will my actions affect the business?) but at the same time remembering to allow technicians to be technicians and to remain technically focused.

To assist in reaching the IT/business alignment goal, consider looking at the end result and work backwards. For example:

- What is the objective of a business? – To create value.
- How is this manifested? – As a business outcome.
- How is this achieved? – By people, process, product and partnership (and surprise – it's not limited to IT).
- How effective are we? – Measure and cost.

So how aligned is aligned? You can only tell by the amount of value that is being created for both parties: the value of service is in eye of the receiver of the service:

- IT receives a service from the business – this is information on future business direction (strategy) and changes that they require to move the business forward.
- The business receives services from IT in the form of e-mail, billing, etc.

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