



Why Are We Still Concerned About Alignment?

V. Sambamurthy
Michigan State University

Bob Zmud
University of Oklahoma



Basic Premise

In 2007, we all understand ...

- what alignment is ...
- How important alignment is ...
- How alignment is achieved ...

But, do we really?



Top Ten (SIM) Management Concerns*

Year	Rank
2004	1
2003	1
1994	9
1990	7
1986	5
1983	7
1980	-

Over 70% of respondents report an ‘alignment maturity’ of between 2 and 3 (out of 5).

In Jerry’s most recent survey (2005), he has detected an overall slippage (though minor) in reported alignment.**

* Luftman, *MISQE*, 2005

** Luftman, SIM Academic Workshop, December 2006



What is Going On?

- Alignment is appropriately recognized as the *fundamental criterion* by which an IS organization is assessed (internally & externally).
- *Achieving* a high degree of alignment is difficult; *sustaining* a high level of alignment is even more difficult.
- Alignment involves a *multivalent, constantly shifting* ‘end-target.’

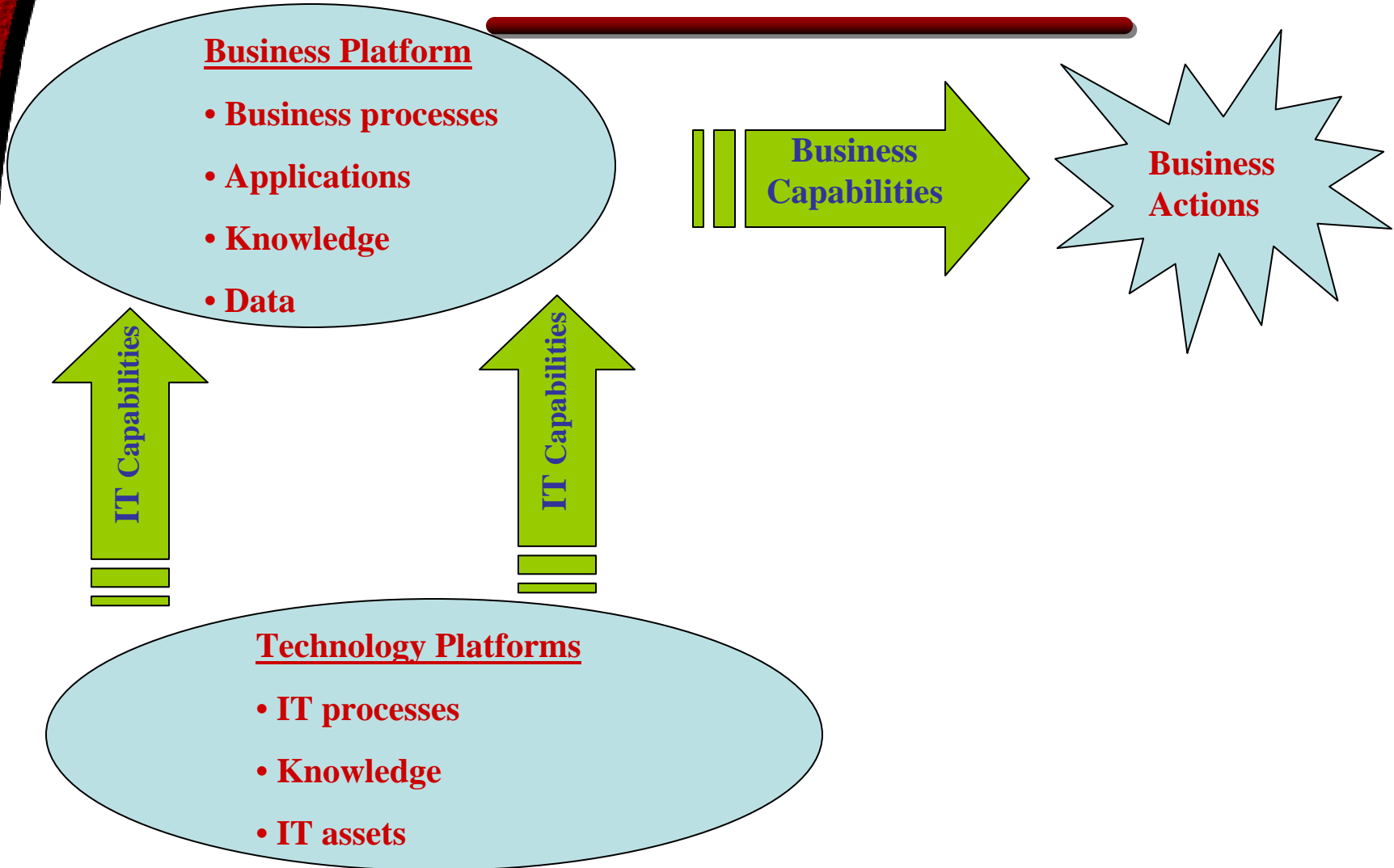


Agenda

- **Reconceptualizing Alignment**
 - Definition
 - Multivalency
 - Dynamics
- **Getting to Alignment**
- **Why Achieving Alignment is Hard**
- **Why Sustaining Alignment is Even Harder**
- **Take Aways**



IT-Enabled Business Capabilities





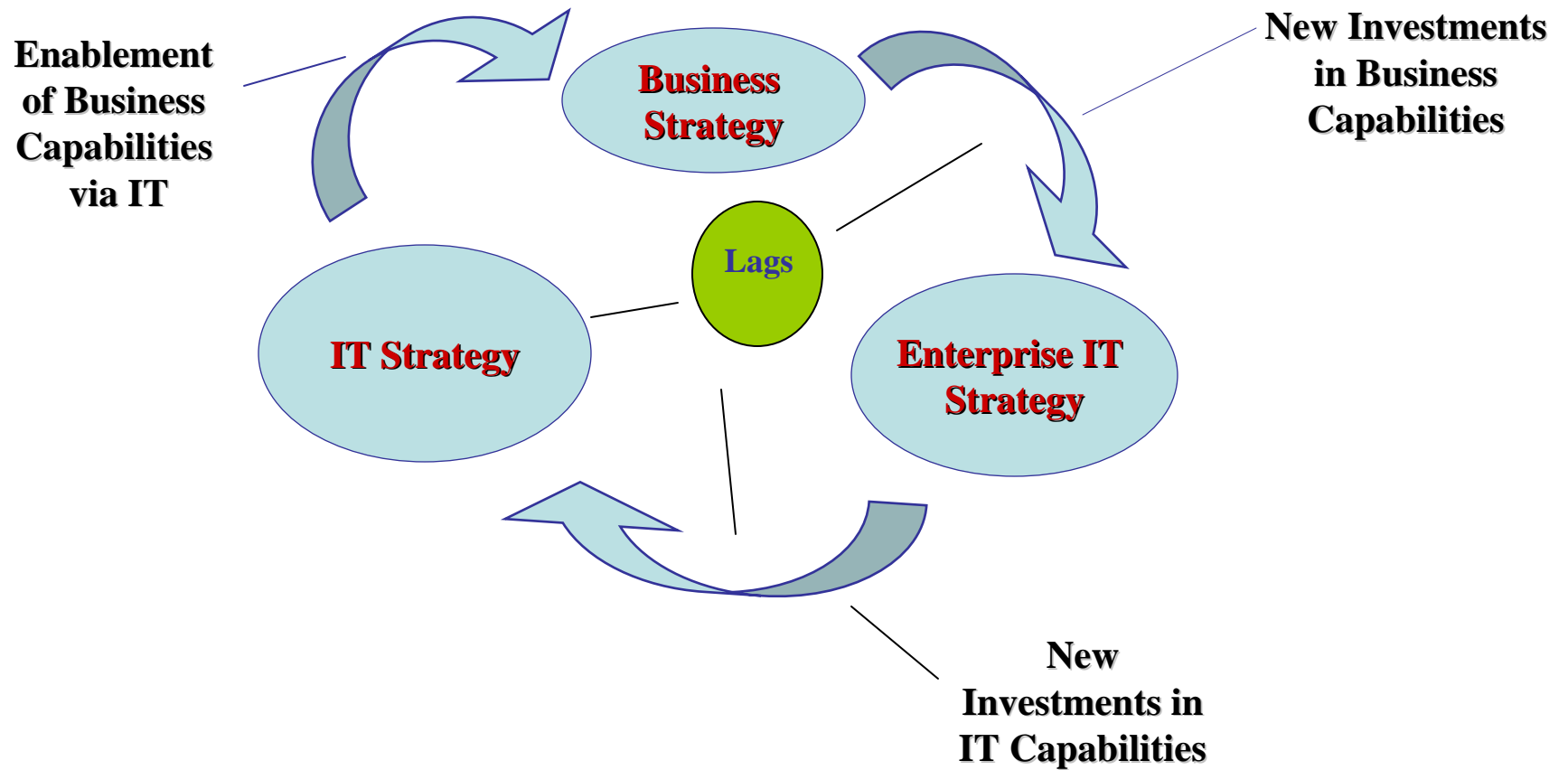
Definition

An IS organization is *in alignment* when the firm is *able* to consistently execute critical, IT-enabled business actions in a competitively-responsive manner.

An IS organization is *out of alignment* when the firm is *unable* to consistently execute critical, IT-enabled business actions in a competitively-responsive manner.



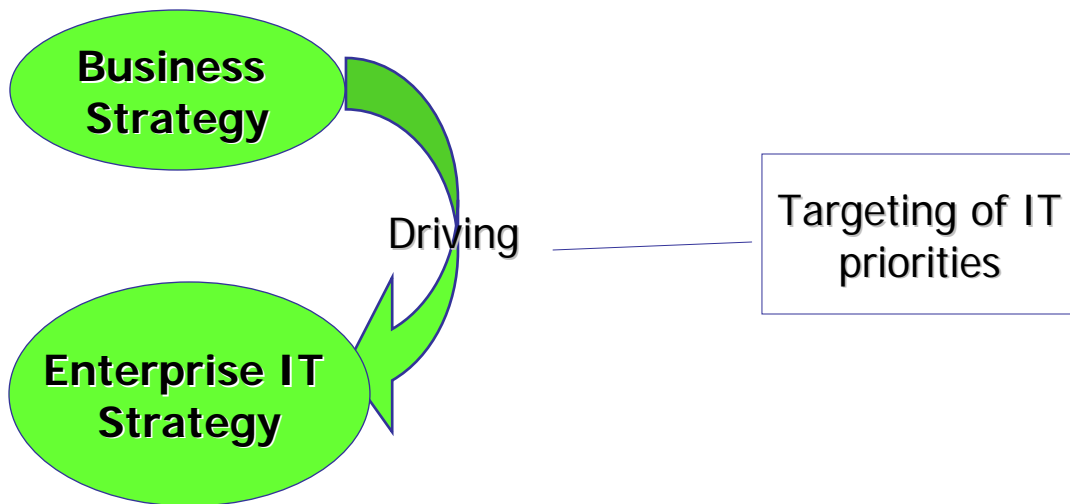
Business, Enterprise IT & IT Strategies





Three Modes of Alignment: Support

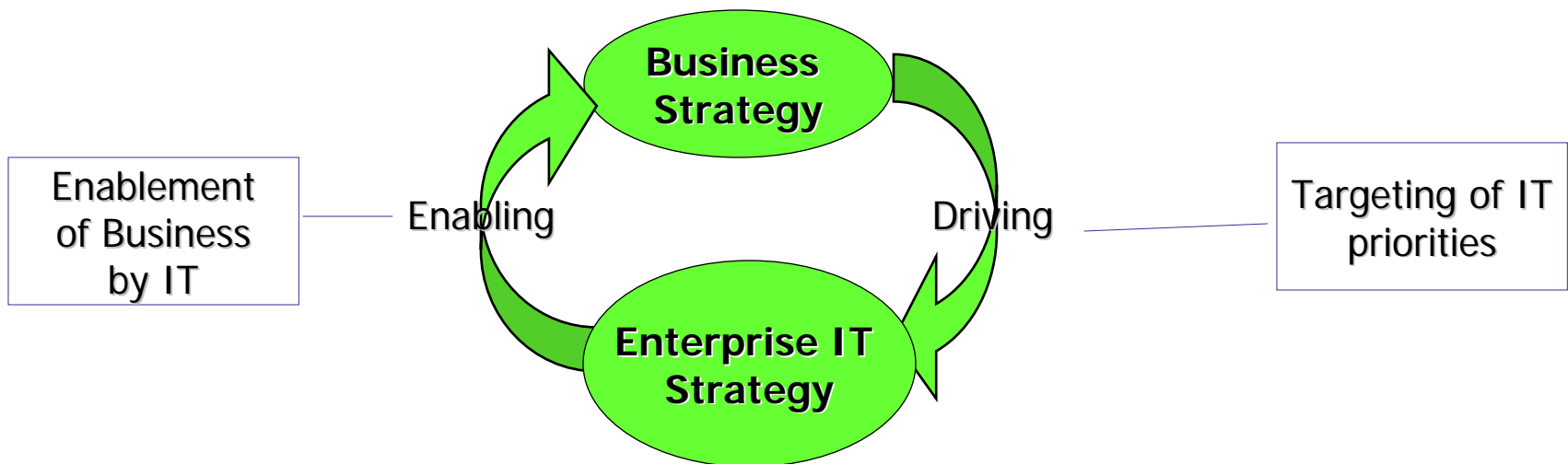
- **Business strategy drives enterprise IT strategy**
- **Current business strategies and capabilities drive IT priorities, investments and capabilities**





Three Modes of Alignment: Synchronization

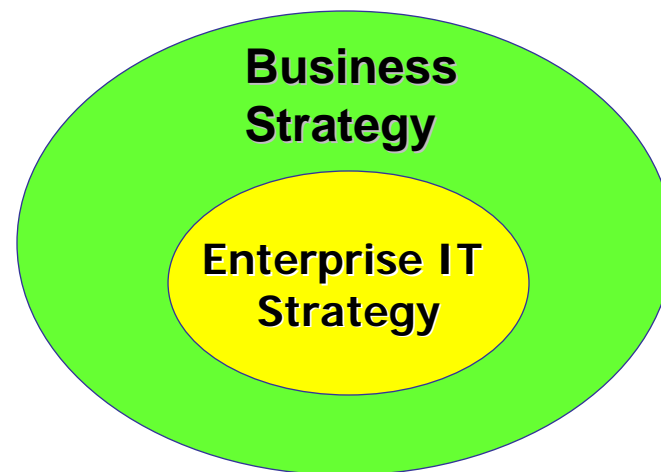
- IT enables execution of current business strategy, but also anticipates and shapes future business models.
- IT leadership, thinking and investments is active in seeding new business opportunities





Three Modes of Alignment: Convergence

- **Business strategy is shaped through digitized products, services, processes, and relationships**
- **Enterprise IT strategy is embedded in the business strategy**
- **A single leadership team operates across business and IT**





Alignment Mode Determination

- **Strategic Role of IT (Automate, Empower, Control, Transform)**
 - Industry
 - Firm
- **IT savviness**
 - Business knowledge of IT
- **Business/IS Relationship**
 - “Social capital” (collaborative orientation)
- **IS Credibility**
 - IS knowledge of business
 - Prior track record



Multivalency and Dynamism

- **Multivalency**
 - An enterprise's SBUs are unlikely to be operating in the same alignment mode
 - An enterprise's SBUs operating in similar alignment modes are likely to be at differing alignment levels
- **Dynamism**
 - Over time, an enterprise's SBUs are likely to recognize the necessity to change alignment mode
 - Over time, events and inertia tend to reduce alignment in SBUs



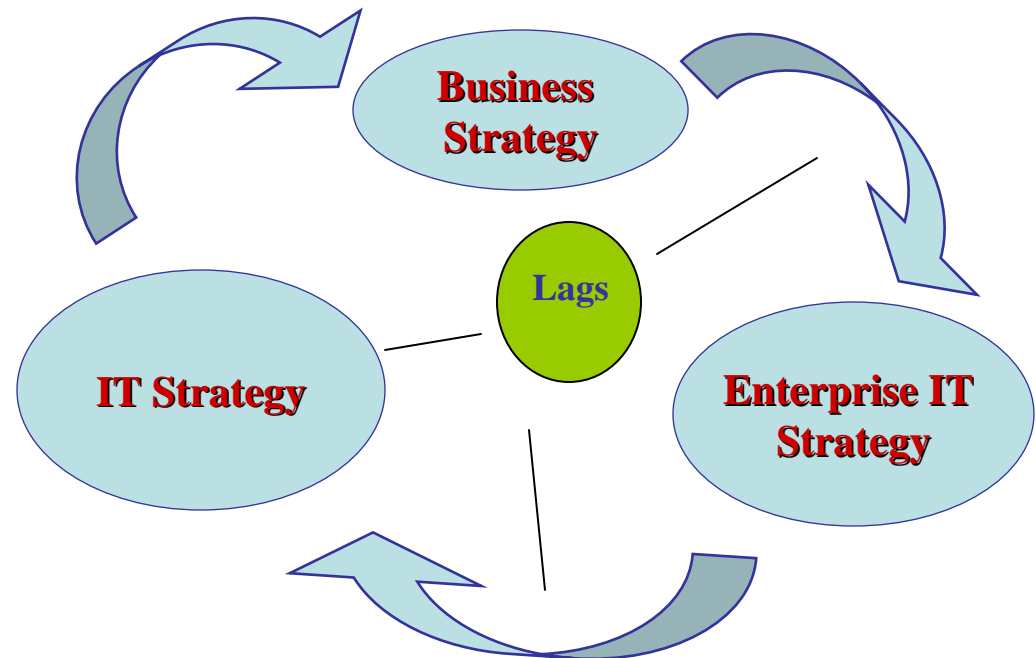
Enablers of Alignment

- ***Articulated Business Strategies (Enterprise and SBU), Enterprise IT Strategies (enterprise and SBU), and IT strategies (enterprise and SBU).***
- ***Opportunities for Information/Knowledge Exchange and for Relationship Building***
 - *Thriving, but appropriate, informal business/IS networks/relationships at all organizational levels*
 - *Appropriately-designed formal IT-related planning, coordination and control mechanisms*
- ***Appropriately-Designed Authority Structures & Incentive Structures***



Why Alignment is Hard

- Mutually determining and reaching consensus on appropriate alignment modes across an enterprise requires regular streams of largely informal interactions.
- Orchestrating these strategies across an enterprise and distinct SBUs involves very complex arrangements of formal/informal planning, coordination and governance structures/processes.





Why Sustaining Alignment is Even Harder

- **Competitive forces drive changes in business strategies and/or tactics**
- **Enterprise and/or SBU and/or IT leadership visions evolve**
- **People's expectations evolve across the enterprise**
- **People regularly move in and out of key roles and responsibilities**
- **New relationships regularly need to be forged**
- **Existing relationships deteriorate from lack of attention or from dissatisfactory experiences (under-performed obligations, unresolved conflicts, etc.)**
- **In-place planning, coordination and governance structures/processes are not adjusted in the face of changing conditions.**
- **In-place authority and incentive structures are not adjusted in the face of changing conditions**



Take-Aways: Achieving Alignment

- **Alignment is not an ‘objective’ phenomenon ... it is perceptual.**
 - The key is understanding the nature of needed, or, likely to be needed, IT-enabled business capabilities and positioning oneself to provision these as they are needed.
- **Alignment is not a ‘one shoe fits all’ phenomenon; instead, it plays itself out very differently across an enterprise and across enterprises.**
 - The key is to be able to configure an appropriate constellation of relationships, processes and structures.
- **Just accept that you’ll never be ‘in alignment.’**
 - The key is knowing where and how far ‘out of alignment’ you are ... and acting aggressively to reduce the gap



Take-Aways: Sustaining Alignment

- **Recognize the events occurring external to the enterprise, across the enterprise and within the IS organization that are likely to increase alignment gaps**
 - **The key is to develop capabilities within the IS organization that scan for and interpret these events**
- **Recognize the critical relationships to be nurtured (at all organizational levels) and understand the health of each relationship**
 - **The key is to insure that capable incumbents are involved with these relationships and that succession plans exist for these incumbents**
 - **The key is to establish on-going assessments of in-place planning, coordination and governance processes/structures across the enterprise.**