

SIM Research Institute
EMPOWERING BUSINESS THROUGH RESEARCH

Aligning IT with the Business

Bridging the IT-Business Divide through Engagement and Governance

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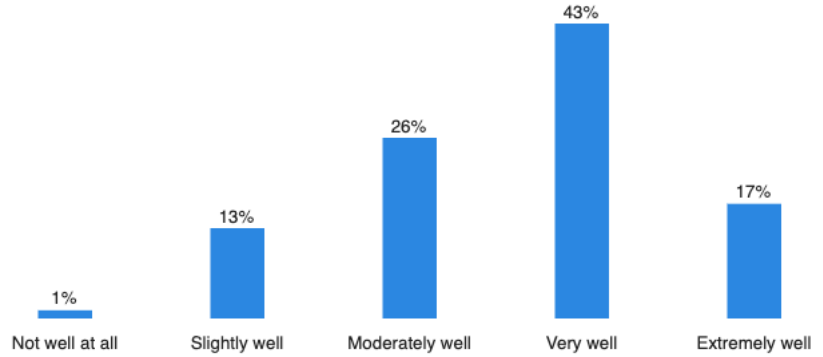
May 2024

Introduction

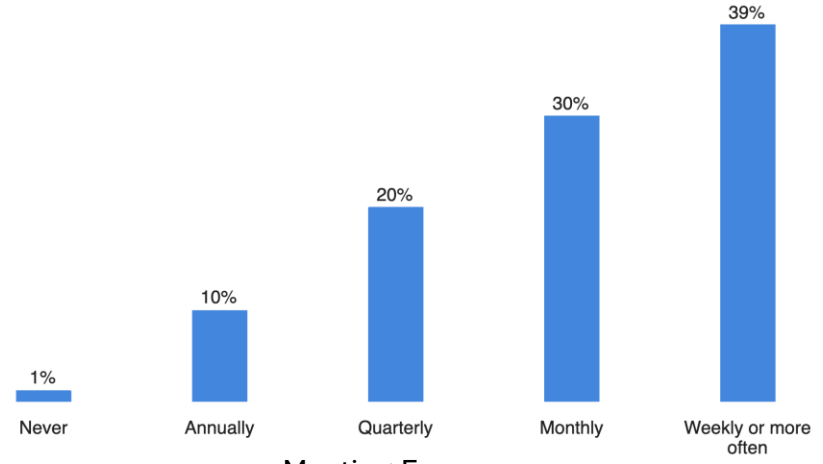
In the most recent SIM IT Trends survey, nearly 45% of the IT Leaders responding selected "alignment between IT and business" as one of the organization's most important concerns, making it the #1 issue for this year – a position it has maintained (as #1 or #2) for the last ten years.

The SIM Research Institute carried out a short follow-up survey conducted in April and May to better understand this issue and provide actionable insights for our SIM members. While the findings underline the (anticipated) importance of regular meetings and governance effectiveness, they also reveal opportunities for improvement and the need for a more holistic approach to alignment.

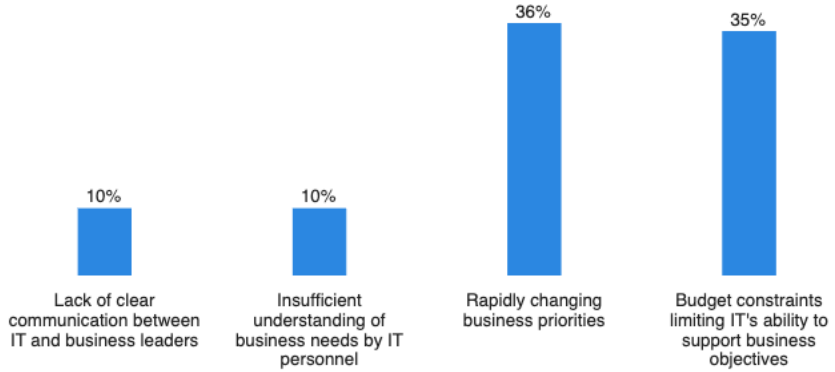




Alignment of IT Strategies and Business Objectives



Meeting Frequency



Primary Challenges to IT-Business Alignment

Key Survey Findings

1. Alignment Gap: 40% of IT strategies poorly align with business objectives
The survey captured IT leaders' perceptions, but alignment issues may be more prevalent when considering the views of other executive leaders.

2. Engagement and Governance: Keys to stronger IT-business alignment
Statistically significant correlations were found between:

Alignment of IT strategies with business objectives

Frequency of IT-business meetings ↔ Effectiveness of IT governance practices

Importantly, true alignment requires addressing both the procedural and emotional aspects of the relationship.

3. Top Barriers: Changing priorities and budget constraints hinder alignment
These barriers underscore the need for frequent interaction to strengthen relationships and promote greater agility and flexibility in IT planning and execution.

4. Metrics Disconnect: Opportunity to better link IT performance to business outcomes
Establishing clear, business-oriented metrics is crucial for demonstrating business value and contribution to organizational success.

Source: SIM Research Institute, April-May 2024 Survey, n=85 US-based SIM members



Implications

Bridging the Divide

While some organizations have eliminated the "IT vs. The Business" distinction, many still struggle with this divide. Regardless of where your organization falls on the maturity spectrum, the insights from this survey underscore the need for continuous efforts to bridge both perceived and real gaps between IT and the business.

Fundamentally, IT must establish itself as a trustworthy business partner through its consistent and repeatable high-quality delivery using recognized best practices.

However, strengthening alignment goes beyond implementing these practices. It requires focusing on building trust, fostering emotional commitment, and shifting mindsets. IT leaders must not only inform and engage stakeholders but also inspire and empower them to be active partners in the alignment journey.

Recommendations

1. Assess alignment holistically: Gather input from a wide range of executives to conduct a 360-degree assessment of alignment. Compare perceptions and identify areas of misalignment.

2. Implement and measure adoption of an IT governance framework: To build trust and consistently serve stakeholder needs, implement an industry-standard IT governance framework, such as ISACA's COBIT, to drive IT process maturity. The framework should be scalable based on the organization's industry, size, and risk profile.

3. Tailor engagement strategies: Optimize an engagement approach with your business partners based on joint needs, preferences, and communication styles. Together seek to understand motivations and concerns.

4. Leverage multiple interaction approaches: Employ a range of strategies, such as collaboration, consultation, and coalition-building, to gain buy-in and mutual commitments.

5. Create greater cohesion: Encourage IT teams to spend time in the business and business with IT. Participate in joint strategic planning sessions and develop a deep understanding of each others' challenges and opportunities. Publicize and celebrate joint successes.





Next Steps

The SIM Research Institute aims to empower businesses through research, so to conclude, here are some practical next steps:

- Apply one of the several frameworks to enriching IT and business alignment
  (e.g., Strategic Alignment Model or McFarlan Strategic Grid)
- Implement an industry-standard IT Governance Framework like ISACA's COBIT Model
- Seek out and consistently apply your organization's relationship-building approaches to strengthen the IT-business partnership
- Info-Tech is one of SIM's sponsors – you may like to consider their resources

Together, we can bridge the alignment divide to drive greater business value and success for our organizations.

We would love to hear from you about how we did. Please give us your feedback via our webpage.

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