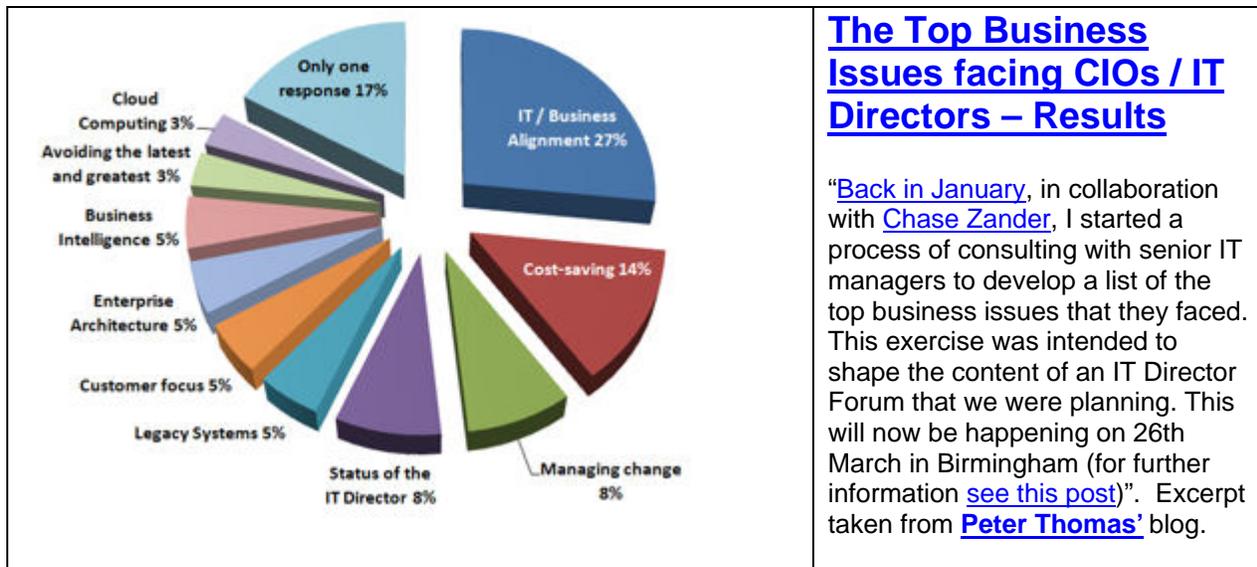# Chase Zander IT Director Forum

The importance of Business-IT Alignment

The alignment of Business and IT is an area of importance at any time, but perhaps increasingly so in the current economic climate where business strategies are under pressure and may shift rapidly. Clearly it is not just a question of IT strategy being shaped by business strategy, though this is obviously a necessity. To add greatest value maybe IT needs to become more part of the process of shaping business strategies and maybe IT needs a louder voice at the board level in some organisations.

This was a subject that stimulated much interest from IT Directors, CIOs and other senior IT managers whilst planning for the IT Forum. Senior Consultants from Chase Zander along with Peter Thomas one of the facilitators at the forum researched themes through online forums and directly talking with candidates and clients. The themes were chosen based on feedback received and the forum was designed to be interactive with the intent of providing the most valuable information to delegates attending through sharing knowledge and experiences.

The Top Business Issues facing CIOs / IT Directors – Results

"Back in January, in collaboration with Chase Zander, I started a process of consulting with senior IT managers to develop a list of the top business issues that they faced. This exercise was intended to shape the content of an IT Director Forum that we were planning. This will now be happening on 26th March in Birmingham (for further information see this post)". Excerpt taken from **Peter Thomas'** blog.

At the IT Director Forum in Birmingham on the 26th March 2009, twenty leading IT professionals came together to discuss how IT strategy is being led and shaped in their own businesses and to learn from both the problems they are facing and the successes they have had at board level. The session focused on the alignment of Business and IT facilitated by Peter Thomas and then continued to discuss issues around credibility and trust in IT facilitated by Elliott Limb.

Chase Zander's IT Director Forum follows two successful Change Director Forums hosted in 2008.

Established 7 years ago as an Executive Search and Selection Consultancy, Chase Zander was the first recruitment company to specialise in Business Change Recruitment and has evolved over the years to work closely with both IT Directors and Change Directors, understanding that the two principles of Business Change and IT often have to work side by side. The event was chaired and introduced by James Gittins, Director at Chase Zander and head of Chase Zander IT, who are based in Birmingham and recruit quality technologists across multiple sectors in the UK and Europe.

Chase Zander runs and hosts the event in order to learn and improve their knowledge in the areas that they recruit for and to give IT Directors and others involved in senior level IT projects and programmes the chance to debate the subjects that matter to them, as well as providing the perfect opportunity to gain advice from peers and to network.

"Very useful, thought provoking" IT Delivery Manager

After introducing the IT Director Forum through findings of the research undertaken, Peter Thomas began the evening's discussion by posing two questions; do people really understand what IT can do? And is IT a business within a business? The floor immediately opened up to lively debate around the subject of Business-IT alignment. It was noted that Business-IT alignment is a debate that has been raised for the past 20 years or so. So what is it about this subject that places it still in current times, at the top of so many IT Director's and senior IT manager's agendas?

It was agreed that introducing IT projects is always a challenge within businesses as there is generally a big cost associated, as well as in most cases delays to project schedules. Generally, the business wants to see its return on investment quickly and that in most cases is not achievable. Many CEOs and board level directors from other parts of the business see IT as transactional; a means to an end, however, the often large costs coupled with a lack of understanding creates a feeling towards IT functions of being alienated and a lack of trust is felt from the business.

ROI certainly is a key issue at the moment, but is this due to the economic situation at present or has it always been like this?

IT is traditionally seen as a cost centre and less of a business with targets and outcomes. In Finance or Marketing departments outcomes are communicated and visible for the whole business to see. Often in IT, they are not. An understanding of what IT actually does is absolutely necessary for trust to be there. IT should be engaged and consulted in Business problems much earlier than they often are in order for solutions to be totally customer focused.

Alignment breaks down when Expectation Vs Capability is not aligned.

It is really important for IT to set itself KPIs and SLAs which are communicated to the business. Only when numbers are drilled down can IT show the benefit to the business. IT must manage the expectations of the business about what it can deliver. It is important to communicate on a business level;

> ➢ Show where cost cutting is taking place;
>
> ➢ Show where new technologies can provide new services and therefore new revenue streams;
>
> ➢ Put your business case forward. IT needs financial investment to achieve financial outcomes.

> ➤ The above must always relate to business strategy and business objectives that are understood by the Project Sponsors and Business Owners.

Peter Thomas concluded the 1st session by suggesting that IT functions should perhaps view themselves as a business within the business; with financial targets set and KPIs aligned with strategic business outcomes. IT must either have its place on the board or at least get involved in steering projects from the outset. To get out of a recession businesses need the capability to change and to deliver when orders come in. Maybe IT should become IS: Information Technology becomes Information Services?

During the 2nd session Elliott Limb continued to debate the issues raised during the first session on alignment. Elliott was keen to explore the idea of 'credibility' over 'trust'. He believes that IT can achieve better alignment through having a voice in the business. It's about communication and managing relationships between the Programme Managers and the Business Owners. It was agreed that success is measured by the Business Owner and therefore successful communication is critical to their perception of a projects overall success. And of course, you must deliver! Sharing best practice comes into this, as well as having transparent targets in place. It's a good idea to get Programme Management to sign off the business case for IT projects.

IT is often fear driven because IT often breaks or is delayed and therefore, there is a negative attitude towards IT from the rest of the business.

It was noted during the discussion that Business-IT Alignment can be different dependent on the size of the organisation. In smaller organisations the alignment can often be good as IT has its place on the board. Whereas, in some larger scale organisations IT Directors have often come from other parts of the business and the churn is high. This can lead to little or no investment in relationship building with lower level IT people taking place. The soft skills required to make alignment and indeed change happen can sometimes be lacking making communication hard and therefore projects can fail or be seen by the business to have failed, purely on that basis.

So, how do senior IT Managers get on the front foot? Start by showing the organisation how to change through successful communication and having a service delivery agreement on projects.

There were no female delegates in attendance at the forum and this fact was highlighted; the high ratio of men to women in the industry as a whole and the unknown reason for it. Has a lack of female personnel in this industry had any impact on the way IT is viewed by business people? A theme around gender roles in IT could form the basis of a future forum with personality and soft skills also being considered.

"Both topics were heartily discussed – we could've gone on all night!" Senior Strategy Services Consultant

Chase Zander would very much like to thank all that attended and contributed to planning and running this IT Director Forum, with special thanks to the forum facilitators Peter Thomas and Elliott Limb.

We would also like to encourage all of you that attended those of you who unfortunately couldn't make it, and anyone who is just hearing about it now to get involved by contacting us with ideas for topics you'd like to tackle at future forums.

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