Business-IT Alignment Assessment

Asking business managers and IT-management about requirements from business and the fulfillment by IT

A large industrial company asked one of TLab’s consulting partners to investigate the bad performance of the company’s IT department. The Business-side was definitely not happy. So, how bad was it really?

The situation
A large industrial company was increasingly unsatisfied about the way in which the IT department was capable to fulfill the requirements from the Business-side of the company. It asked one of TLab’s consulting partners to investigate what was causing this IT underperformance.

The complication
The consulting partner discovered in the initial meetings with the IT management that basic procedures were followed and that IT management as such seemed doing all the right things.

The question
If the IT department was doing all the basic things that you might expect from an IT department, then what was causing all the dissatisfaction at the Business-side of the company? Were it unrealistic expectations from the Business? And exactly, who were ‘The’ Business, anyway?

The assessment
There were 4 questionnaires developed: three questionnaires were about IT procedures, -deliverables and –capabilities. The fourth questionnaire was specifying the Business requirements in more detail.

The assessment was answered by several respondents from the IT management as well as by 35 respondents from various parts of the Business.
Eh,…. ‘The’ Business?

The questionnaires about IT procedures, -deliverables and –capabilities did not reveal any spectacular, structural shortcomings from the IT department. Yet, the questionnaire about the Business requirements was all the more revealing.

In the initial conversations Business had stated that they wanted to sell more, spend less and improve client intimacy. But by zooming in on the resulting requirements the IT department had to fulfill, an enormous misalignment surfaced.

The dendrogram, below, compared business respondents in pairs with regard to their ‘planned score’: how much did each couple agree with regard to the requirements that needed to be fulfilled after 1 year?

Green/blue blocks indicated agreement; yellow/red blocks disagreement. The respondents were sorted in such a way that the most disagreeing respondent is at the top row (and most left column) of the chart.

The outcome: there was not such a thing as ‘The’ Business as these 35 business respondents strongly disagreed: everybody wanted something else.
Outcomes & recommendations

It is not the IT’s fault, per se
It might be often the case, but it is not always the fault of the IT department when Business-IT alignment is not what it is supposed to be. In this case study the IT procedures, -deliverables and -capabilities were all more or less in order. IT is a rather regulated field, so, when IT management tries to diligently follow these procedures and standards, quite quickly the IT department’s output becomes satisfactory.

Garbage in, garbage out
Clearly, when ‘the’ business turned out to be 35 islands all wanting something different, it became impossible for the IT department to fulfill so widely diverging requirements. The business was all in agreement about the high level improvement concept (e.g. sell more, spend less) but failed to align their requirements on a more detailed level.

Compare improvement scenarios
The dendogram on the previous page helped to convince the business that continuing to serve the 35 ‘islands’ would not be in the interest of anyone.

The TLab reporting module also contains a histogram that can sort questions based on disagreement. So, the top-20 disagreements were discussed among the business respondents on a specific day-away-from-the-office and the business respondents adjusted their individual requirements.

Then, 3 improvement scenarios were discussed and analysed for overall alignment within the group and, finally, one of these were chosen.

And, the IT department was applauded for its managerial and diplomatic way in which they had held up a mirror for the business.

Please check out our Questionnaire Catalogue for more inspiration!