



IT-Business Strategic Alignment Maturity: A Case Study

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EXECUTIVE SUMMARY

Both information technology (IT) and business leaders are continually looking for management practices to help them align their IT and business strategies. Alignment seems to grow in importance as companies strive to link IT and business in light of dynamic business strategies and continuously evolving technologies. Importance aside, what is not clear is how to achieve and sustain harmony among business and IT, how to assess the maturity of alignment, and what the impact of misalignment might be on the firm. This case study describes the use of a management process and assessment tool that can help to promote long-term IT-business strategic alignment. The Strategic Alignment Maturity (SAM) assessment (Luftman, 2000) is used as a framework to demonstrate the evolution of an international specialty chemicals manufacturer's IT-business alignment practices to enable the achievement of their corporate goals. Major insights from their experience and SAM best practices are highlighted.

Keywords: business/IT strategy alignment; business strategy; case study; change management; cross-functional teams; global IT management; information services organization; IS/IT planning; IT alignment; multinational corporations; steering committees; strategic IT management; strategic planning

ORGANIZATIONAL BACKGROUND

The organization discussed in this case study is an international specialty chemicals developer and manufacturer. From here on, this organization is referred to as the 'Company'. Except where noted, the content is adapted from documents and interviews internal to the organization.

Specialty chemicals are chemicals that are added during the blending process of finished products which enhance the products' performance, appearance, or some other quality. At the initial time of this case (May 2001), the global specialty chemicals market was valued at around \$76 billion and consisted of approximately 40 market segments.

The specialty chemical industry and the company have several notable external influences and competitive threats:

- a weak global economy resulting in decreased demand for specialty chemicals;
- highly volatile currency exchange rates have an adverse effect on profitability margins; and
- high growth market potential in Asia but increased competition from Asian suppliers.

The company's customers range across many industries from automotive, electronics, plastics, coatings, petrochemicals, paper and mining, to textiles for fashions and the home, to wide-ranging products for hair and skin care. Specialty chemicals are frequently made-to-order for a customer's specific manufacturing requirements and often are patented; this may result in increased switching costs to the customer due to limited substitution of alternative products. This usually necessitates a close relationship between the specialty chemicals provider and their customer.

The company generated sales of around \$5.4 billion in 2001 and employed over 20,000 people worldwide, with sales in 117 countries, 58 production sites in 29 countries, and research centers in 10 countries. The company's merger and acquisition activity as well as their global expansion from their European headquarters into countries all over the world had resulted in multiple and duplicate IT infrastructures throughout the organization.

At the end of the case time frame (July 2003), after the implementation of the "Aligning for One" business program, the company was well positioned to launch the next phase of their business strategy, the "Aligning for Growth" program. The effect of the "Aligning for One" program resulted in headcount reductions down to about 18,500 people worldwide (Figure 1), with sales in 120 countries, 60 production sites in 23 countries, and research centers in 11 countries. The company's free cash flow increased by 50%, their cash and cash equivalents doubled, and their net debt was cut by more than half (Figure 2).

Figure 1: The Company's Headcount – Years 2000-2003

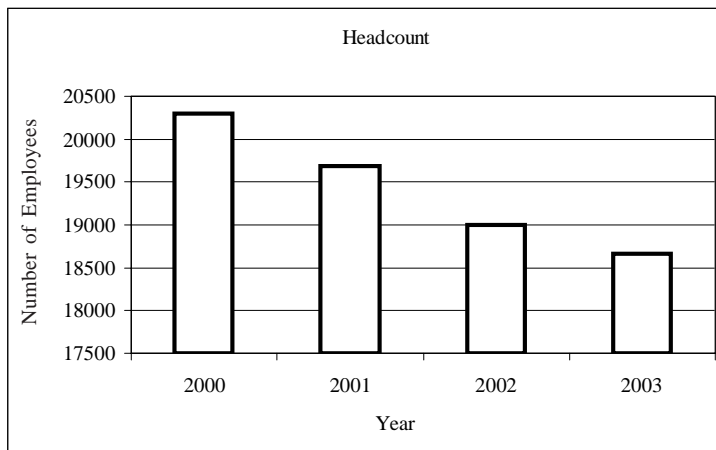
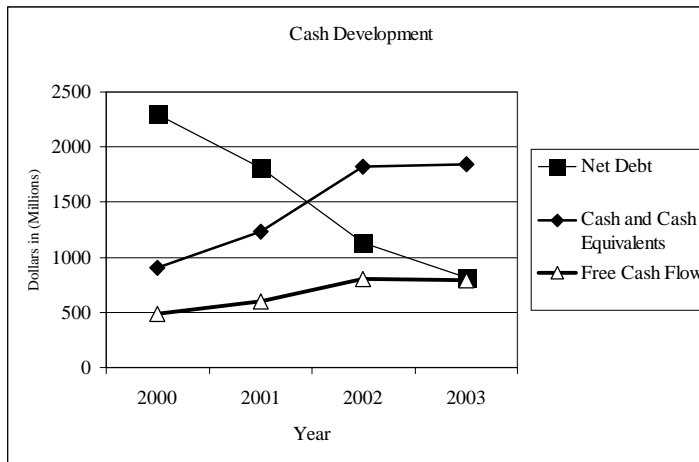


Figure 2: The Company's Cash Development – Years 2000-2003



SETTING THE STAGE

A New Business Strategy Program: Aligning for One

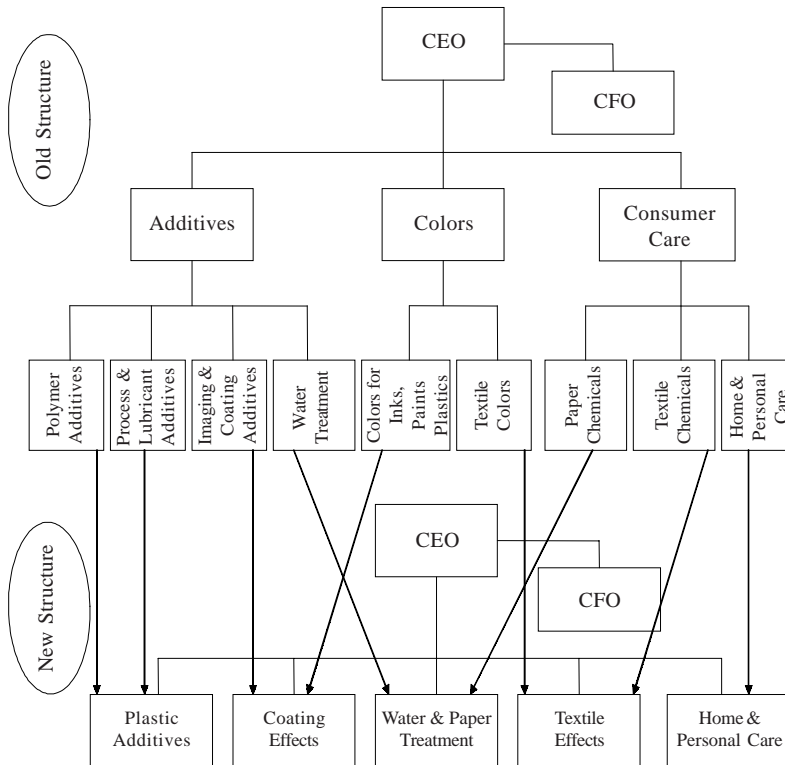
On the heels of the company's collapsed merger plans and less than expected returns from a major acquisition of a chemical treatment business, Chairman of the Board Alvin Joseph (a pseudonym) took over as chief executive officer (CEO) in early 2001, with the company facing very competitive global market conditions and negative currency effects. Shortly thereafter, Joseph announced a new corporate vision, a new mission, and new business initiatives. He launched the company's "Aligning for One" business strategy, steering the company strategically and structurally to its customers' industries and the challenges ahead.

With the new "Aligning for One" business strategy, Alvin Joseph reorganized the company from its divisional structure comprised of three divisions with nine business units, into a new structure of five business segments, without the division layer (Figure 3). Each business segment was given responsibility for its marketing, research and development, technology, production, and sales. Non-operational core support functions such as supply chain replenishment and distribution, finance, and human resources were grouped and provided through central support services on a global basis.

An important aspect of the "Aligning for One" program was that best practices and systems would be taken from the previous organizational structure of nine decentralized business units and integrated into one set of best practices utilized by the entire company.

Best practices are examples of the best way to perform a process or management practice which results in optimal performance using minimal resources. Identifying and implementing best practices should increase efficiency by streamlining and simplifying processes organization-wide.

Figure 3: Company's Old and New Organizational Structures



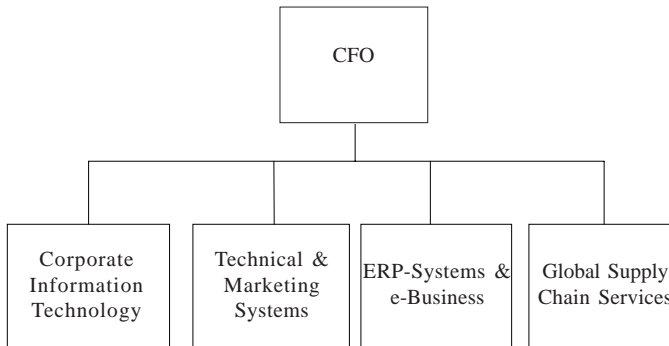
The “Aligning for One” program aimed to provide:

1. Increased speed of decision-making by eliminating the divisional structure.
2. Centralized support services to allow the new business segments to focus on their respective markets and provide “one face to the customer”.

After the new business strategy was accepted by the executive committee, each executive committee member called a meeting with his or her senior management team. Since the information technology functions ultimately reported to the CFO, David Bailey, he was responsible for centralizing the disparate IT functions and aligning them with the business. The new IT structure was announced at the CFO’s senior management meeting (Figure 4).

With a goal of the restructuring to simplify processes and with the core IT infrastructure now centralized, it soon became apparent that the integration of disparate information systems, and its resulting reduction in expenses, was a key to achieving the business strategy.

At the CFO’s senior management meeting, Jean Felder’s thoughts were in fast motion. As head of Global Supply Chain Services and a senior business manager, Jean knew that for the “Aligning for One” program to work, the company would need to

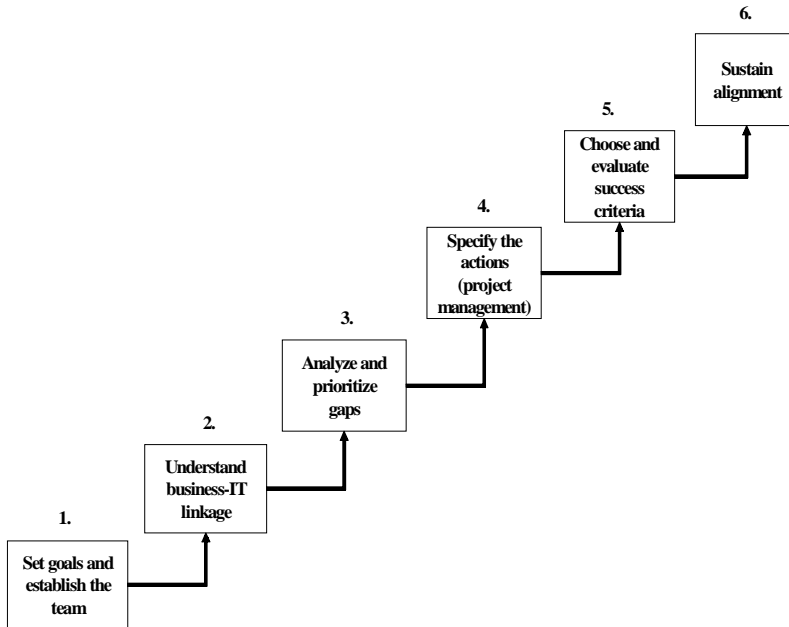
Figure 4: IT and Supply Chain Services Reports to the CFO

leverage the capability of their information technology. She thought to herself, “we can change the structure all we want, but if we can’t properly leverage information technology to help coordinate and control the new streamlined structure, then our decision-making capability is not going to get any faster.”

Meanwhile, Ramesh Chandra, Head of Corporate Information Technology (CIT) and a senior IT manager at the company, was thinking of how they could actually get the business to buy into all of the IT changes that would be necessary to implement “Aligning for One”. It was a big plus to the company that the changes were being endorsed by the CEO, but still, better communication and partnership between business and IT would be necessary to pull this off. Ramesh glanced over at Jean Felder. Their eyes locked in a look of acknowledgment; they both knew that the IT and business functions needed to work together to achieve joint goals, but now with the new changes, alignment would be key. Jean leaned over and whispered to Ramesh, “I could barely get the division’s IT staff to understand our business needs when we were decentralized with our own IT department, now with this new centralized support services structure, it’s going to be even more important to make sure our goals are aligned.” David Bailey overheard Felder and took this as a cue to tell them, “Jean, I am glad that you and Ramesh are brainstorming ideas because I was just about to tell you that Alvin Joseph asked me to put together a team to assess what needs to be done to implement the initiatives necessary for the “Aligning for One” program to succeed. I’ll be the sponsor for the IT and supply chain services initiatives for the program but we want you two to act as co-champions; we think you’re the ones who can best motivate the staff to implement the “Aligning for One” strategy.”

IT-Business Alignment Assessment Process

Implementation of the company’s “Aligning for One” business strategy required alignment with their IT strategies. For an organization to successfully align its IT strategies with its business strategies, specific management practices and strategic IT choices

Figure 5: Strategic Alignment as a Process

should be considered that help facilitate integration. Luftman, Bullen, Liao, Nash, and Neumann (2004, pp. 89-90) discuss a six-step process (Figure 5) to assess strategic alignment.

Jean and Ramesh decided to implement this IT-business alignment assessment process to understand the current IT-business alignment and to use this information as a roadmap to implement improvements. They used the SAM assessment questionnaire as a tool for their analysis. Details of the company's assessment are described in the Case Description section. The company's SAM assessment team used the results of the questionnaire to converge on an overall assessment level of the maturity for the firm. After the initial maturity level was established, the company used this as a baseline to determine best practices for facilitating alignment. They used the SAM assessment items that are identified as being more mature alignment management practices as a guideline to management practices they would like to implement. In addition, the SAM assessment team used their internally identified best practices as guidelines for their desired IT-business alignment maturity level. The discrepancies between the organization's current management practices and the desired management practices were identified and then prioritized. Tasks were assigned by the team to the appropriate owners, with clearly defined deliverables and time frames for each of the prioritized discrepancies.

CASE DESCRIPTION

The Company's IT-Business Alignment Maturity

The SAM assessment undergone by the company consisted of a questionnaire comprised of 42 items measuring the degree to which specific management practices and strategic IT choices were demonstrated within the organization. The SAM framework classifies the assessment items into six criteria (Communications, Competency/Value Measurement, Governance, Partnership, Scope and Architecture, and Skills), each with five levels of alignment maturity ranging from a maturity of Level 1 (Initial/Ad hoc) to a maturity of Level 5 (Optimized) (Luftman et al., 2004, pp. 70-71):

1. **Initial/Ad Hoc Process** is the lowest level of alignment whereby business and IT are not aligned and any practices in place to facilitate alignment are ad hoc in nature.
2. **Committed Process** pertains to the existence of a commitment by the organization to promote IT-business alignment.
3. **Established/Focused Process** refers to the existence of an established alignment process in place that is focused on business objectives.
4. **Improved/Managed Process** refers to the existence of a strong alignment process that emphasizes the concept of IT as a creator of value for the firm.
5. **Optimized Process** refers to a strategic alignment process that is fully integrated and co-adaptive between business and IT.

The SAM assessment instrument is based on best practices for IT-business strategic alignment derived from literature reviews of academic research, practitioner input, and evaluation of management practices and strategic choices employed by over 50 Global 2000 organizations. Information explaining the assessment items in more detail is provided in Luftman et al. (2004, pp. 73-77).

The SAM assessment questionnaire was used by the SAM assessment team to assess the company's strategic alignment maturity both before the "Aligning for One" initiatives were implemented, to provide a baseline measure, and afterwards, to provide a longitudinal perspective of their IT-business strategic alignment maturity evolution. The original assessment was conducted in May of 2001 with the SAM assessment team, consisting of seven senior IT and business executives, with Ramesh Chandra and Jean Felder as the team leaders. After best practices were determined and a gap analysis performed to determine differences between their AS-IS state where they presently stood and their TO-BE state of where they wanted to be, action plans were developed and implemented to execute the "Aligning for One" program. A follow-up assessment was conducted in January of 2003 to measure whether the SAM level was sustained.

The company's maturity assessment results are listed in Table 1. Overall maturity (which is an average of the 42 individual assessment items) increased by one maturity level since the initial assessment. There were across-the-board maturity increases in all criteria, with the greatest increase in the scope/architecture and the skills criteria.

Table 1: Company's Initial and Follow-Up Maturity Assessments

	Initial Assessment	Follow-Up Assessment
Communications	2.5	3.1
Competency/Value	2.3	2.5
Partnership	2.7	3.1
Governance	2.1	2.8
Scope & Architecture	3.0	3.8
Skills	1.9	2.7
Overall Maturity	Level 2	Level 3

The following section describes some of the key management practices and IT choices of the company that demonstrate their evolution from an overall alignment maturity of Level 2 to an overall of Level 3, helping facilitate the IT-business strategic alignment that was necessary to implement their “Aligning for One” initiatives. Included in the descriptions are “Major Insights” summarizing key aspects of what the company learned while improving their alignment maturity and “SAM Best Practices” which are management practices from the assessment instrument indicating higher levels of maturity.

Communications

The SAM assessment describes Communications as the sharing of information for mutual understanding between the IT and business functions, and the methods used to promote this. Communication has long been associated with IT-business alignment. Rockart, Earl and Ross (1996) suggest that communication ensures that business and IT capabilities are integrated into the business effectively. Luftman, Papp, and Brier (1999) reported that IT understanding the business was considered by senior executives to be one of the top three enablers of alignment. Reich and Benbasat (2000) found that shared knowledge of IT and business and communication between IT and business managers positively influence alignment.

The areas that comprise the Communications component are:

1. mutual understanding of the IT and business environments;
2. inter/intra-organizational learning;
3. communication protocol rigidity;
4. knowledge sharing; and
5. liaison breadth/effectiveness.

Prior to the “Aligning for One” program, the company’s SAM assessment team determined their strategic alignment maturity for Communications was at a Level 2. The company’s IT-business communications were primarily at the divisional level. There was a limited understanding of what IT can do for the business, resulting in information systems being underutilized. No formal knowledge sharing mechanisms existed.

The follow-up assessment of the company's strategic alignment maturity revealed an increase to a Level 3 for Communications. The organization demonstrated some strong improvements in their business communications process, which is now systemic throughout the organization, to increase communication and share knowledge. Since taking office as CEO, Joseph has advocated a culture change to value frequent and open communication. His recent worldwide tour of the organization's facilities and his recurring intranet column "Ask Alvin" were well received by the organization's employees. Additionally, regular "town hall" meetings conducted by regional leaders provide state-of-the-art business information, and question-and-answer opportunities. Face-to-face informal communication with supervisors and department heads occurs regularly. Twice a year, performance reviews and regular staff meetings occur where both business and IT initiatives are discussed. Frequent e-mail communiqué are distributed to both business and IT employees, to update them on the objectives, status, and achievements of major IT projects and initiatives.

The company's intranet was recently redesigned to provide a global tool for intra-organizational communication and knowledge sharing. Informative memos, presentations, and documents are posted providing details of strategies and projects related to both IT and business. Corporate policy mandates periodic review of web page to ensure that displayed information is kept up-to-date and that the page owner is identified in case further inquiry is necessary.

Major insight

Interorganizational communication is fostered by a culture that promotes regularly occurring communication as a fundamental task of every manager and employee.

SAM best practice

Communication between IT and business should be pervasive throughout the organization, informal, regularly occurring, and use rich methods such as email, videoconferencing, and face to face.

Competency/Value Measurement

The SAM assessment describes Competency/Value Measurement as the management practices and strategic IT choices an organization makes when determining the importance and contribution of IT to the firm. Measures of IT's contribution to the business should go beyond traditional, one-dimensional technical considerations and include measures of cost efficiency, cost effectiveness, and human-related measures (Luftman, 2000; Van Der Zee & De Jong, 1999). Measures of business contribution should be multidimensional (Maltz, Shenhar, & Reilly, 2003) and IT and business measures should be integrated (Luftman et al., 2004, p. 382; Van Der Zee & De Jong, 1999).

The areas that comprise the IT Competency/Value Measurement component are the:

1. focus of metrics and processes to measure IT's contribution;
2. pervasiveness and orientation of integrated measures;
3. pervasiveness of service level agreements;
4. frequency and formality of benchmarking practices;
5. frequency and formality of assessments/reviews; and
6. pervasiveness of continuous improvement practices.

The company's assessment for the Competency/Value Measurement criterion did not substantially change from a Level 2 after the "Aligning for One" program. The company has service level agreements (SLAs) between the IT function and business for both global and regional services. They apply a portfolio of services to indicate agreements with the business owners of the service. Supporting the SLAs are operational level agreements (OLAs), which are technical performance measurements. The service levels and operational levels are monitored and reported through a service level management process.

Benchmarking has been used by organizations to compare management practices and objectives (Drew, 1997) and to identify best practices in order to replicate them (Daft, 1998, p. 542). The IT groups at the company are required to measure the performance of the service they provide against the expectations of their customers (customer satisfaction) and against similar services provided in other companies (internal and external benchmarking of selected services).

Major insight

Include business-related metrics, such as user satisfaction and IT's responsiveness to the business, with technical SLAs, such as computer response time and minimum downtime, to help form more of a partnership between IT and the business. Additionally, measurements like contribution to profits, quality, and productivity improvements should be applied whenever possible.

SAM best practice

Have periodic formal assessments and reviews of SLAs with both IT and business representation to mandate continuous improvement of SLAs and the attainment of business objectives.

Evaluation of IT investments, including formal and regular reviews, has been found to be positively related to IT-business alignment (Tallon, Kraemer, & Gurbaxani, 2000). The company utilized a SAM best practice of frequent and formal assessments by instituting a policy calling for post implementation audit procedures to be undertaken for each major IT project, to confirm that all key aspects of the project are in place and

being used effectively (e.g., business processes, enhancements, common data, associated financial processes, and IT infrastructure and support). These assessments also ensure that the expected business benefits have been realized.

SAM best practice

Have frequent and formal assessments and reviews of IT investments with a formal process in place to make changes based on the results of the assessments. When possible, include business partners in the process. Share the knowledge gained across the organization.

Governance

Governance is the choice organizations make when allocating decision rights for IT activities such as selecting and prioritizing projects, assuming ownership of technology, and controlling budgets and IT investments (Henderson, Venkatraman, & Oldach, 1996; Luftman, 1996).

The areas that comprise the Governance component are the:

1. pervasiveness of business strategic planning with IT involvement;
2. pervasiveness of IT strategic planning with business involvement;
3. structure of the IT organization;
4. reporting level of the CIO;
5. IT budgeting;
6. IT investment management;
7. frequency, formality, and effectiveness of steering committees; and
8. integration of project prioritization.

Prior to the 2001 “Aligning for One” program, the company’s Governance was assessed at a low Level 2. Their IT organization utilized a decentralized structure at the business unit level. This meant the individual business units owned, funded, and determined the priorities of their IT departments. Each business unit and geographic region had its own supply chain system. Worldwide, there were 87 BPCS enterprise resource planning (ERP) systems and five SAP R/3 ERP systems. IT researchers (Brown & Magill, 1994; Sambamurty & Zmud, 1999) suggest that organizations comprised of multiple business segments should utilize a federated IT structure, whereby a corporate IT unit (or other central unit) has primary responsibility for architecture, common systems, and standards decisions, while each business segment unit has primary authority for application resource decisions. This structure leverages the advantages of economies of scale and IT standardization while providing responsiveness to the segment’s needs and priorities.

Since the “Aligning for One” program, the company’s SAM assessment for Governance approached Level 3. The new information technology structure is centralized

and IT was given an expanded role to provide 24x7 global support. An important change was centralizing supply chain systems including the reduction in number of systems to 33 worldwide provided by one ERP vendor.

To oversee all significant decisions of the centralized IT structure, an IT steering committee was formed, led by the head of Corporate IT, reporting to the CFO, who acts as the committee sponsor. The committee is comprised of the heads of the global IT organizations (Figure 4).

SAM best practice

Existence of an IT steering committee increases the alignment of IT and business strategies (Raghunathan & Raghunathan, 1989).

Partnership

Partnership refers to how each of the IT and business functions perceive the contribution of each other. It includes the trust that develops among the participants, and the sharing of risks and rewards. The areas that comprise the Partnership component are the:

1. business perception of IT value;
2. role of IT in strategic business planning;
3. integrated sharing of risks and rewards;
4. formality and effectiveness of partnership programs;
5. pervasiveness of trust and value; and
6. reporting level of business sponsor/champion.

Giving IT the opportunity to have an equal role in defining business strategies is obviously important. However, how each organization perceives the contribution of the other, the trust that develops among the participants, ensuring appropriate business sponsors and champions of IT endeavors, and the sharing of risks and rewards are all major contributors to mature alignment. The IT-business partnership should evolve to a point where IT both enables and drives changes to both business processes and strategies.

The company's SAM assessment for Partnership, initially assessed at a high Level 2, improved slightly, to a low Level 3. At the operational level, they utilize champions to act as a link between their e-business platform, their local office, and their customers. The company's e-champions are used to help their global organization to understand local e-business needs and to roll out global projects quickly. All countries and regions have an e-champion. The champions are responsible for collecting and communicating new customer requests, communicating e-business initiatives and enhancements, and coordinating training and education programs both internally and to external customers and business partners. Having executive level sponsors and champions for projects is

important to strategic fit and understanding of the business aspects of a project (Koen, 2000). Major innovations benefit from executive champions who allocate resources and provide vision (Papadakis & Bourantas, 1998).

Major insight

Use global champions to both locally promote IT initiatives and act as global liaisons.

Some of the key IT initiatives that were launched to support the “Aligning for One” business initiatives and to realize the benefits of the restructuring into five business segments were (a) a global project introduced to streamline the supply chain systems and standardize processes and documents to show “one face to the customer”, (b) the global project implemented to provide straightforward access to key supply chain data through standard reporting, using a single global data warehouse, and (c) the global project implemented to provide a system for global replenishment and inventory planning.

The fact that these three major information technology initiatives were implemented as a result of the “Aligning for One” business initiatives attests to the importance that the business places on the value of IT. Information technology is being used to enhance business processes, thus enabling the organization’s “one face to the customer” business strategy. Each of the three projects is sponsored by the CFO, a member of the business executive committee. Also, each project has a senior regional sponsor and champion from the business.

Sharing of risks and rewards is equivalent among the business and IT function at the company in that all employees share in variable incentives consisting of an annual bonus when specific business targets are achieved. Johnston and Carrico (1988) found that organizations in which IT is integral to the company had compensation and reward systems that induced IT managers to take risks. Long-term partnerships are sustained when: (a) partners perceive mutual benefits, (b) partners share commitment to the partnership through common goals and incentive systems; and (c) partners exhibit trust and positive attitudes toward the potential contributions of the other (Henderson, 1990).

SAM best practice

IT should be a teammate with the business that co-adapts and improvises with their business partners in bringing value to the firm and meeting strategic objectives.

Scope & Architecture

SAM defines Scope and Architecture as the management decisions and strategic choices an organization makes when allocating resources toward its information technology infrastructure, including its reach and range. It includes the extent to which IT is

able to assume a role supporting a flexible infrastructure that is transparent to all business partners and customers, evaluate and apply emerging technologies effectively, enable or drive business processes and strategies as a true standard, and provide solutions customizable to customer needs. The areas that comprise the Scope and Architecture component are the:

1. technological and strategic sophistication of primary systems/applications;
2. pervasiveness of integrated standards;
3. pervasiveness of architectural integration;
4. pervasiveness of infrastructure transparency and flexibility; and
5. management of emerging technologies.

Scope and Architecture has become one of the company's most mature alignment facilitators since the "Aligning for One" initiative was launched. They have demonstrated a high level of strategic alignment maturity in their global integration initiatives of supply chain replenishment and inventory planning. Their implementation of an integrated IT infrastructure provides the pervasive transparency and flexibility necessary to enable this global integration. The use of global integrated standards for hardware and software solutions enabled standardized processes that facilitated the "one face to the customer" business strategy. IT standards facilitate connection among technology components and allow their integration, allowing easier integration and information access across business units (Weill & Broadbent, 1998, p. 58) and enable organizations to more easily share information with their business partners (Edwards, Peters, & Sharman, 2001).

Major insight

A single one-company solution with common processes, data and systems provides a common language to facilitate common understanding across countries, functions, and segments resulting in significant cost savings for both Customer Order Desks and IT.

Additionally, the company has demonstrated more mature strategic alignment, as demonstrated by their use of emerging technologies and e-business models by participating in Elemica, the chemical industry neutral network marketplace that establishes system links between chemical companies and their trading partners to facilitate order processing and supply chain management of chemical transactions.

According to Andrew Liveris, Business Group President of Performance Chemicals at The Dow Chemical Company (Liveris, 2002):

Elemica is the first e-commerce company to commercialize what many consultants have called the "holy grail" of e-commerce: "ERP-to-ERP" connectivity. Using standards developed by the members, Elemica connects each member company's enterprise planning system — whether SAP, Baan or other — to the hub to automate confidential transactions. Rather than 1-to-1 EDI connections, with Elemica you connect once and interact with many. (¶ 7)

SAM best practice

Leverage IT assets on an enterprise-wide basis to extend the reach (the IT extrastructure) of the organization into supply chains of customers and suppliers.

Skills

Skills refer to the management practices and strategic IT choices an organization makes concerning IT human resource considerations such as the cultural and social environment it cultivates. The areas that comprise the skills component of strategic alignment maturity are:

1. pervasiveness of an innovation culture;
2. pervasiveness of integrated locus of power;
3. formality of management style;
4. pervasiveness of change readiness culture;
5. pervasiveness of opportunity for skills enrichment through job transfer, cross-training, and job rotation; and
6. hiring and retention.

Prior to the “Aligning for One” program, the company’s SAM assessment team determined their strategic alignment maturity for the Skills criteria was at a high Level 1. As an inventor of specialty chemicals, innovation has long been part of their culture, but at the business unit level. A global management program, implemented as an extension of “Aligning for One”, has been launched to push out a process for innovation to all positions within the company. Each employee is required to participate in a workshop where everyone takes personal responsibility and ownership for growth. Goals of the workshops are to produce innovative growth projects in all areas, including both the information technology and the business functions of the organization, and to encourage continuous innovation awareness. This program represents a more mature IT-business alignment by encompassing an organization-wide scope.

Skills development opportunities that were recently implemented that have contributed to their increased maturity in Skills include:

- **On-the-job training:** a person works full-time in a position designed for development, for example, a project manager becomes a product manager to learn marketing and commerce.
- **Rotation:** a person takes a temporary assignment for three to six months in a new field, for example, a systems analyst goes into the field with a sales person.
- **Job enrichment:** a person takes over the responsibility for a special project within a job, for example, a marketing manager develops a customer information system.

- **International assignment:** selected candidates are placed in positions in other countries to gain broader international experience, perform a defined task, learn to make decisions in an international context, and enlarge their leadership experience.

IT research has found that professionals moving to non-IT business unit jobs may lead to increased knowledge of IT by the business (Reich & Kaarst-Brown, 1999). Job rotation enables employees to learn and perform the different tasks associated with multiple functions (Wataid & DiSanzo, 1998). Fuchs, Mifflin, Miller, and Whitney (2000) suggest that collaboration between the business and IT functions is facilitated when employees develop relationships with their counterparts in other departments through job rotation.

Major insight

Provide multiple methods for development of IT and business managers, including methods of on-the-job training, job rotation, job enrichment, and international assignment.

CURRENT CHALLENGES/PROBLEMS FACING THE ORGANIZATION

Identifying and implementing best practices should increase efficiency by streamlining and simplifying processes organization-wide.

The “Aligning for One” program aimed to provide:

1. increased speed of decision-making by eliminating the divisional structure; and
2. centralized support services to allow the new business segments to focus on their respective markets and provide ‘one face to the customer’.

The company achieved decisive success with the “Aligning for One” business program, with substantial improvements in cash development and headcount reductions resulting from eliminating the divisional structure and centralizing support services. However, they cannot rest on their laurels. So, a new initiative has been launched for the years ahead to focus on profitable growth. The “Aligning for Growth” program is a logical continuation of the “Aligning for One” program with an aim to generate a culture of performance and successful implementation of new ideas that will generate profitable growth. A primary component of the “Aligning for Growth” program is the implementation of key projects identified by the executive committee to promote growth. These key growth projects include plans to leverage cross selling among the newly structured business segments and market expansion to geographic regions showing high growth potential, such as a new research facility in Guangzhou, China providing expeditious customer solutions directly to this market.

Additionally, one of the key projects is to conduct workshops to engage all employees in developing and implementing growth projects. Some of the growth projects, suggested during the workshops, that are being considered for implementation by the Company include:

1. development of an IT process education program to strengthen cross-departmental communication and training;
2. worldwide implementation of a standardized client environment on all PCs and notebooks (the company needs to consider the pros and cons to a standardized client solution and possible alternatives); and
3. development of a method to involve the company's business partners in decision-making related to the management practices and strategic choices that facilitate IT-business alignment.

The company's executive committee is putting to task Jean Felder, Ramesh Chandra, and the rest of the SAM assessment team to help lead the way to aligning IT with the new "Aligning for Growth" business strategy and to consider the feasibility of the growth projects generated from the employee workshops. Moving forward, the SAM assessment team and the company should consider what is required to further improve IT-business alignment and what specific management practices and strategic IT choices the company can implement to further improve its IT-business alignment to ensure the success of the new "Aligning for Growth" program.

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