Feature

「ビジネスイニシアチブとITソリューションの連携」に関するレポート

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Align Business Initiatives and IT Solutions

Collaboration Is Critical for Effective IT Governance

Management should bear in mind that information sources and IT strategy should be linked with the needs of the user. That strategy should be based on efficient business processes and compatible with effective IT processes.

A methodology is needed to establish effective IT governance based on the business process and to disseminate integrated IT governance throughout the organization effectively.

To construct effective information systems, it is essential to involve relevant members from management all the way through to field workers, beginning with the planning stage, and to generate agreement among staff by sharing and acknowledging their information, interests and challenges.

ALIGNING BUSINESS AND IT—A MANAGEMENT CHALLENGE

In recent years, the alignment of IT with planning and deployment of the business strategy has become increasingly important for corporate management in light of IT's contribution to business development.

However, the 2013 Cisco Global IT Impact Survey shows that business leaders and other non-IT teams roll out new applications without engaging IT (76 percent) and that IT professionals are brought into the planning and deployment process late (38 percent),[1] which indicates that IT introduction planning is not considered as important as business planning, even now (**figure 1**).

These situations are quite similar in Japan. The 2012 Japan Users Association of Information Systems (JUAS) survey indicates that among the primary tips for successful business innovation are close communication between the IT department and management, or other head office divisions, and understanding of the business process across relevant divisions to reach total optimization for the organization (**figure 2**).[2]

Under these circumstances, alignment of business process with IT remains a big challenge for organizations.

According to a survey of 10 large or medium-sized vendors and clients by Information Technology Promotion Agency, Japan, (IPA), the top three challenges they face on the upper process are ambiguous role sharing and organizational structure, incompleteness or low quality of the requirements definition, and a gap between the business strategy/planning and the required systemization (**figures 3** and **4**).[3, 4]

The insufficient involvement of management and relevant business divisions, particularly the

Figure 1—2013 Cisco Global IT Impact Survey/IT and Business Alignment

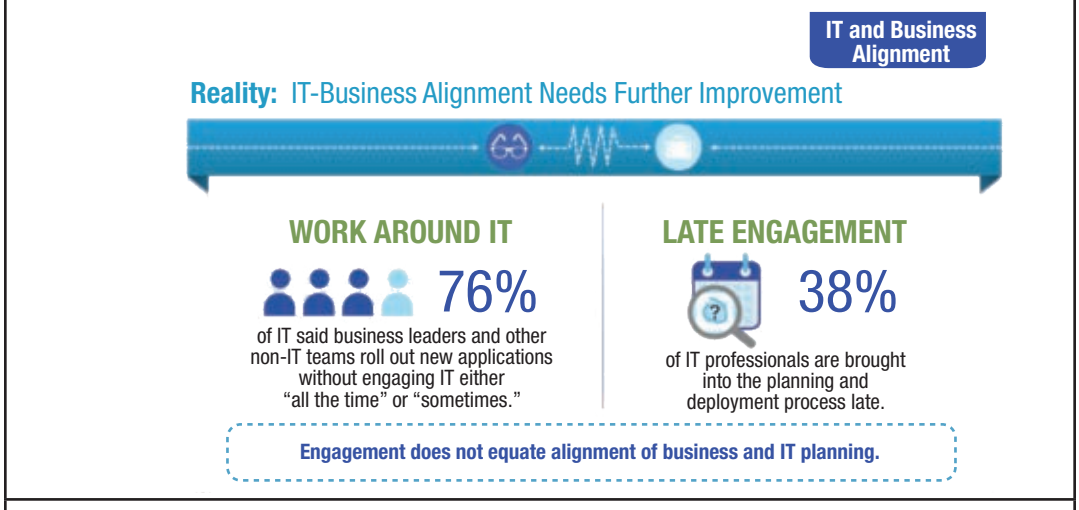

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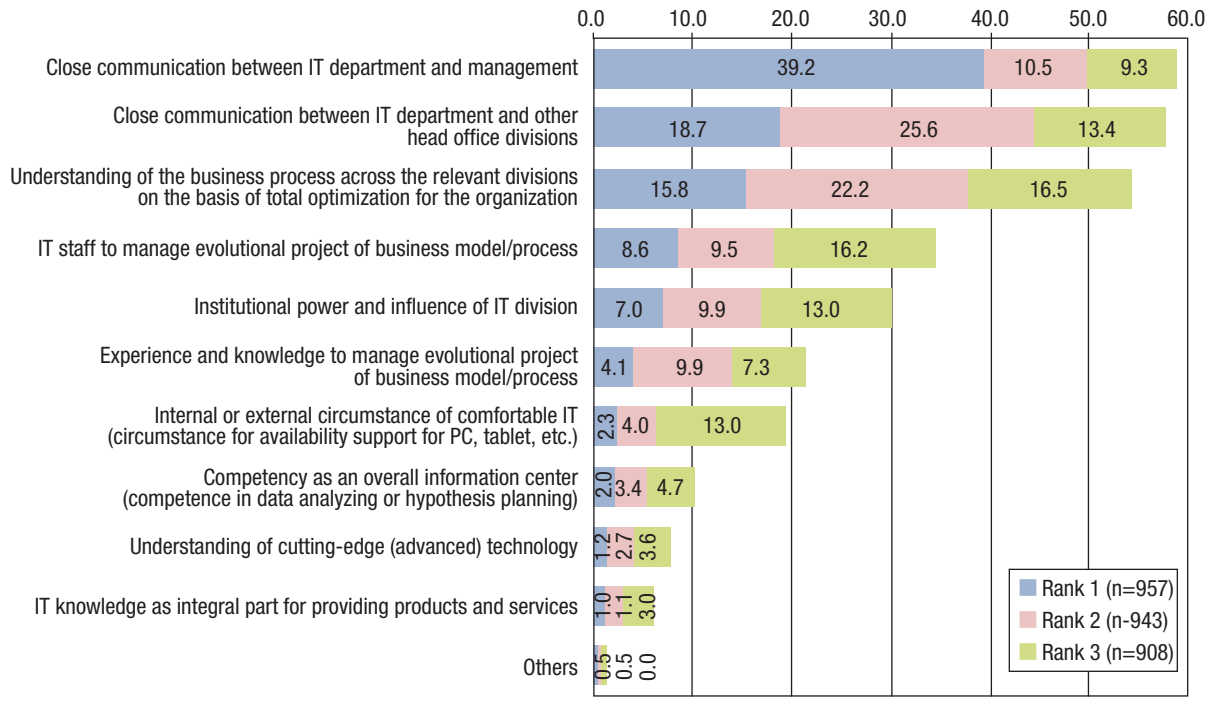
Figure 2—Tips to Lead Projects to Success



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operation leaders and planning staff, other than system users, can be derived from these results.

In IT projects, as a matter of fact, there is a tendency by project managers to define the scope of management involvement on the users' division or the system's division directly related to the system's development, leaving management and other indirectly related divisions insufficiently involved.

On the upper or hyper-upper process of an IT project, the organizational and progressive involvement by management and the business divisions is essential to preserve the alignment of the business process with IT, which could eventually optimize the effect brought about by the introduction of IT.

MODEL CASE AND EVALUATION FOR EFFECTIVE IT GOVERNANCE

In Japan, more than 70 percent of IT projects are recognized as failed projects. Two major causes are:

- Common project goals are not identified clearly so project stakeholders and all project members cannot share the same focus.
- Management intentions are not defined in the first phase of the IT project.

A potential solution for these issues is collaborative discussion with stakeholders based on the following models to understand all stakeholders' intentions for the project:

1. **Business model**—Usually, each stakeholder has slightly different expectation for certain IT projects. It is necessary to correspond those intentions with the objects of the IT project. Clear goal setting is the first step to success. The goal then leads to strategies. Strategies break down to business objectives, which achieve strategies. Business objectives break down to abilities, which achieve business objectives. Strategies are differentiator factors from competitors. Business objectives are internal objectives to achieve strategies. Activities are actions or capabilities to achieve business objectives. This model ensures that stakeholders clearly understand what business initiatives are expected to be achieved.
2. **Business process model**—Organizations must define ideal business processes to achieve the business model. The ideal

Figure 3—Categories and Number of Issues for Each Phase						
	Categories	Business Strategy/ Business Planning	IT Orientation	IT Planning	IT Requirement	Total
1	Gap between business strategy or plan and required systemization	12	10			22
2	Ambiguous priority order of requirements to deal with	8		2		10
3	Insufficient understanding of user's requirements	5				5
4	Ambiguous role sharing and organizational structure	4	10	13	13	40
5	Insufficient review of the business products or services		9	3		12
6	Ambiguous objective of project		7	3	4	14
7	Insufficient information of contracts or estimates		3	13	3	19
8	Insufficient business knowledge, experience and skill		3	6	7	16
9	Ambiguous vision of organization		2			2
10	Ambiguous specification of existing systems		1	1		2
11	Introduction of new technology and services		1			1
12	Insufficient review of development policy and planning			7		7
13	Insufficient management of project			3		3
14	Insufficient review of cost and effect			3		3
15	Incompleteness or low quality of the requirement definition				26	26
16	Ambiguous conditions to complete requirement definition				6	6
17	Inadequate risk management				1	1
	Total	29	46	54	60	
Source: Information Technology Promotion Agency, Japan. Reprinted with permission.						

business process might be different from current business processes. "As-is" describes the current business process, and "to-be" describes the ideal business process. Optimized business processes must be created from a goal-centric perspective as to-be.

3. **IT solution model**—This is the ideal solution overview to support the ideal business process. The business process contains not only tasks that are executed manually, but also tasks that should be supported by an IT solution to obtain an effective result (**figure 5**).[5]

This methodology defines the procedure to create those models with stakeholders based on collaborative discussion among each layer's stakeholders, including members of management who define strategies; middle managers who define business objectives; and experts and leaders who define activities as as-is, to-be and return on investment (ROI).

This collaborative discussion must take place as a workshop facilitated by an individual who is familiar with the methodology. It is effective when used to generate consensus among all stakeholders and create metrics. This method has been used effectively in industries ranging from telecommunications, to automotive original equipment manufacturing (OEM) and high-tech.

During the workshop, strategies, business objectives and abilities are organized based on importance and priority. The workshop must be facilitated to forge agreement among all participants based on proper information sharing and effective discussions. **Figure 6** illustrates an example of the output of the workshop.

As a result, all stakeholders recognize that the achievement of the abilities gives good impact to strategies.

Figure 7 illustrates how the effects of the project can be estimated in the workshop.

Figure 4—Categories and Number of Issues for Each Phase

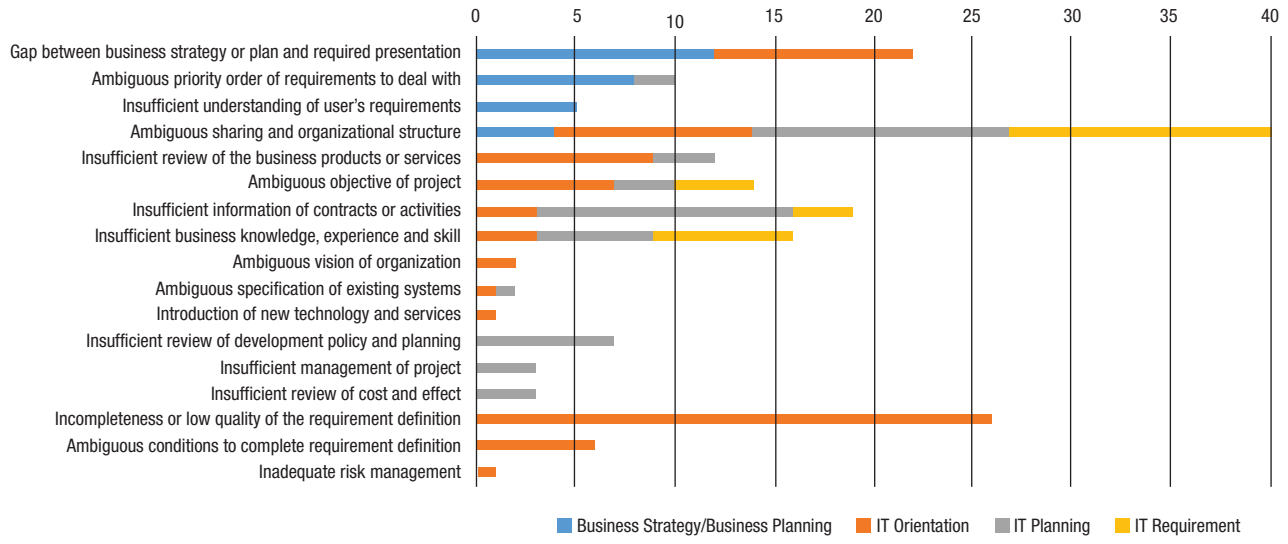

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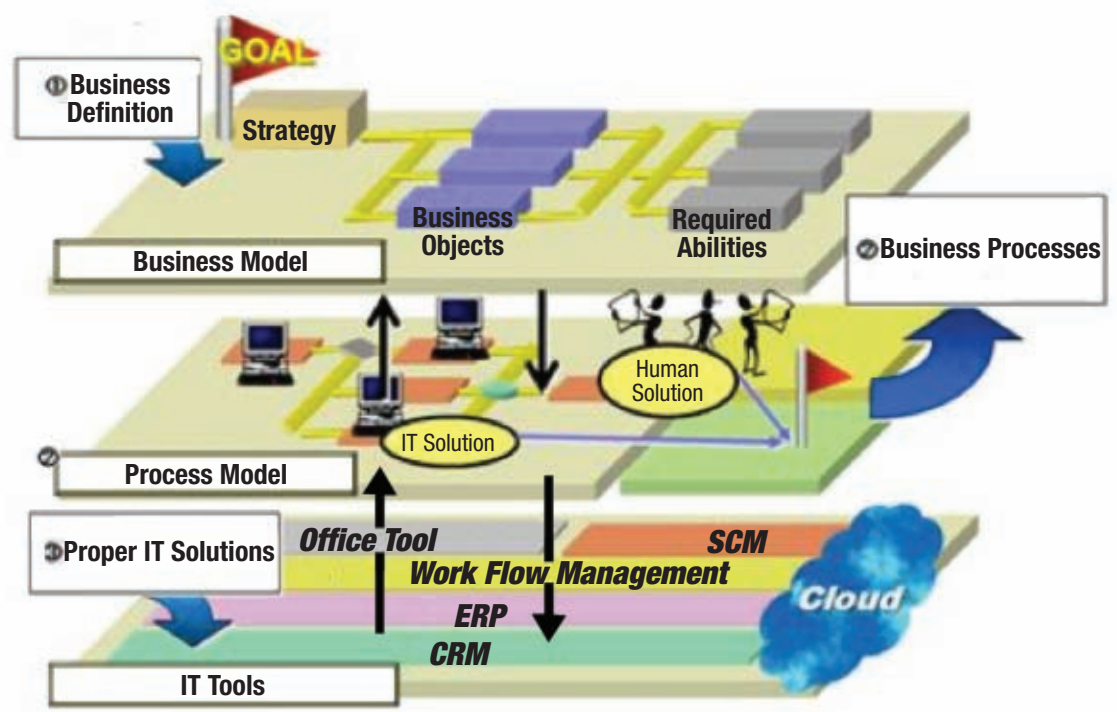
Figure 5—Total Optimization for Business Process and IT Based on Strategy



Source: Dream IT Research LLC; "Proper Project Plan Creation Methodology, SUSD," *Science of Success of IT Project*. Reprinted with permission.

Figure 6—Example of Workshop Output

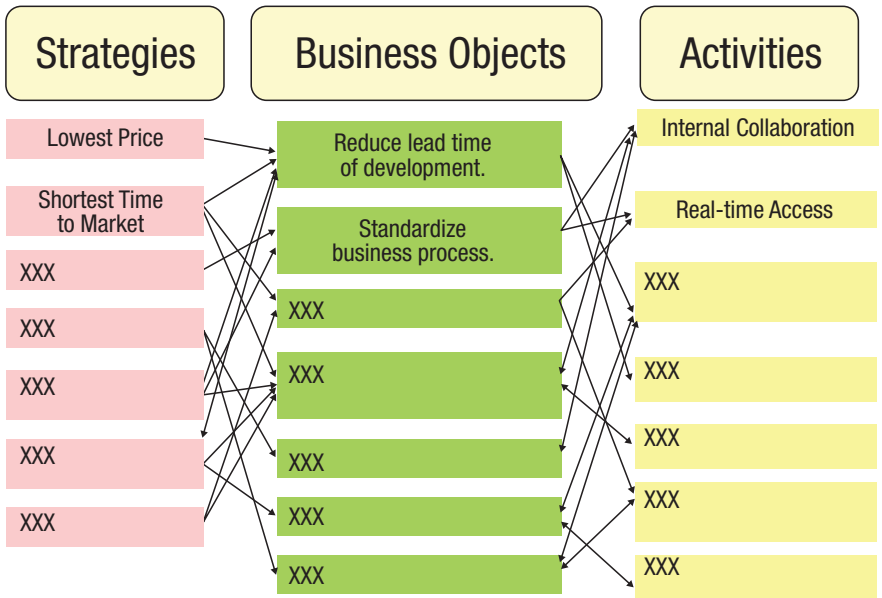


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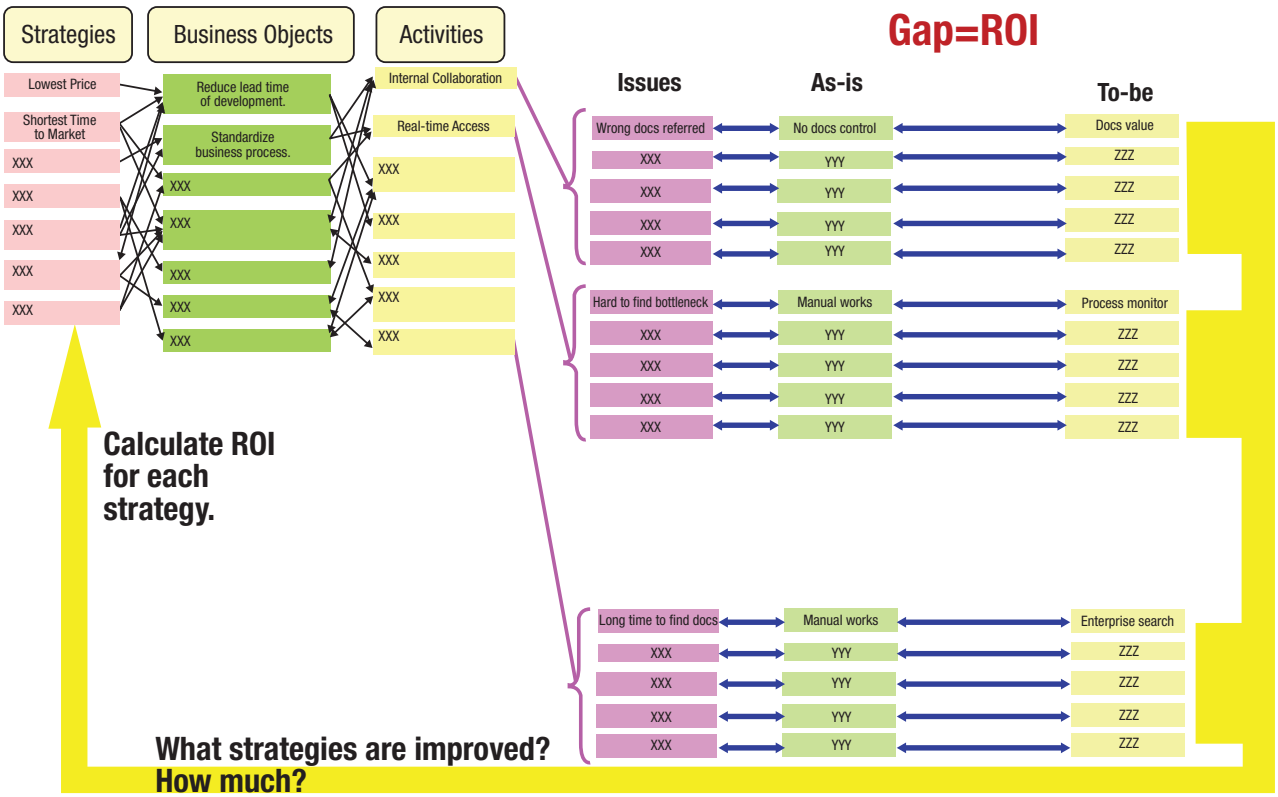
Figure 7—Concept of ROI Analysis



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Each ability defined in the workshop must be achieved to reach the goal. This means the abilities have not been realized because of some issue(s). Current business processes that include issues are called as-is. Those issues must be removed via process change or new IT solutions. Then, the ideal, to-be process is created.

A gap between as-is and to-be items exists. Gap analysis is executed by:

- Identifying issues that prevent execution of the abilities. Some issues may be already known/recognized. First, identify the cause of the issue, then identify the as-is item that is causing the issue, and finally define the to-be items to remedy the cause.
- Identifying which strategies have a positive effect on closing the gap between the as-is and to-be items and then estimating the effect (i.e., shorten time, reduce cost, increase revenue)
- Calculating the effects for each strategy based on the results of the gap analysis

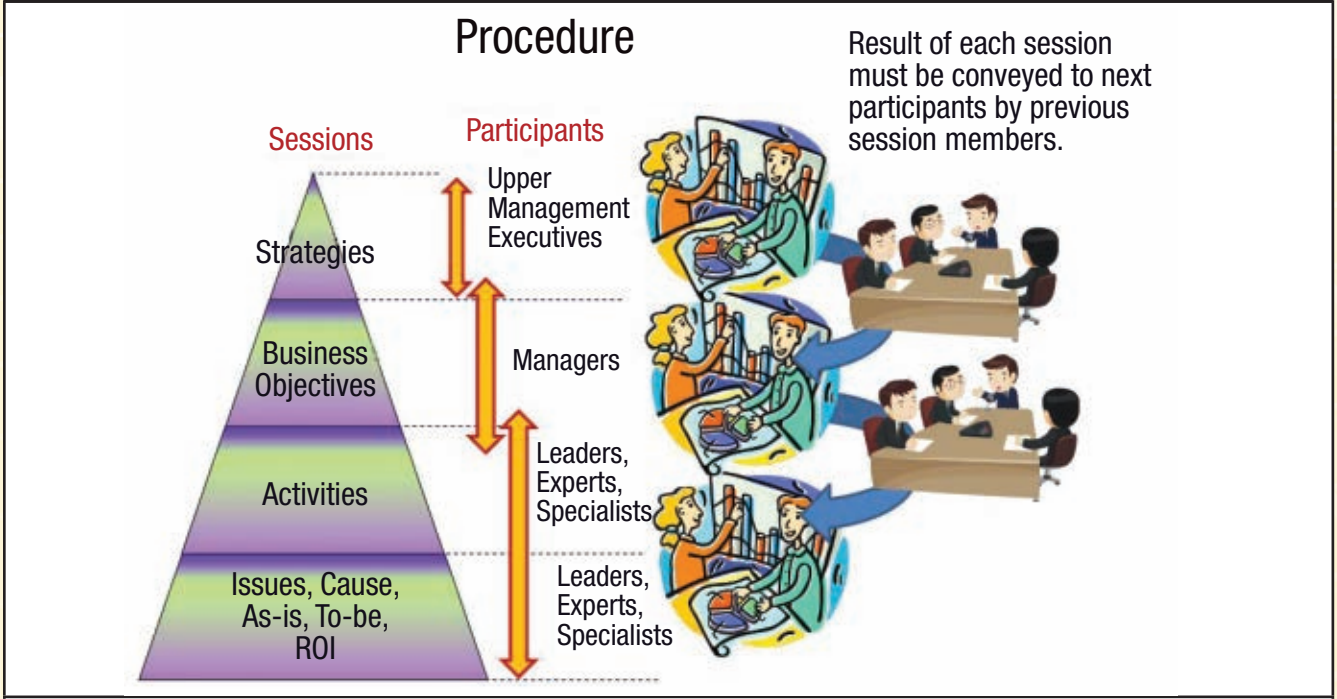
As a result, business goals can be properly mapped to processes and solutions. An integrated business, process and IT solution model is created. Every project member can recognize the project's big picture, any current issues, as-is and to-be items, and expected effects through the workshop and its deliverables.

The solution for the second cause, "management intentions are not defined in the first phase of IT the project," is illustrated in **figure 8**.

The workshop is developed to establish mutual understanding between management and lower-level team members. The goal of the workshop is to get agreement among all stakeholders.

All defined items are scored and prioritized and sorted by importance of agreement among all participants. The intentions of each participant are shown as points and visualized to expedite understanding of other people's intentions. Information

Figure 8—Method to Establish Agreement Among All Layers



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sharing and compromises are completed during the workshop. Points and visualized images not only expedite understanding, but also help to sort out items.

The workshop is split into three sessions: the strategy session, the business objectives session and the ability session. At the end of each session, the results and an overview of that session are described to participants of the next session by current participants of the previous session. Participants of the next session can ask questions and engage in discussion until all team members come to an agreement.

Each step of the workshop procedure is designed to understand other participants' background and intentions and to arrive at a consensus.

The results of the workshop include:

- Goals are clearly set with discussion of each stakeholder's intentions and removal of any misunderstandings. Gaps between stakeholders are adjusted. The risk of change requests and errors in development processes is drastically reduced.
- ROI and key performance indicators (KPI) are clearly defined in the project planning phase, which helps to evaluate the effect of the project after deployment.
- Investment in the project can be fully optimized. Only valuable IT solutions are implemented and only the most efficient processes defined.

Workshop support materials include templates, tools and other resources designed to execute a productive, efficient workshop to ensure consensus among all stakeholders.

CONCLUSION

By promoting involvement of management layers at each level of the business sector, it is possible to overcome management challenges related to alignment of business and IT.

In some IT projects, it is effective to proceed consciously with the involvement of other departments that senior management and project managers are not managing directly. When utilizing this methodology, it will increase the effectiveness and consistency with the strategy developed in the project-planning phase. In any project, from the individual project to organizationwide endeavors, it is essential to connect each process with the organizational strategy.

ENDNOTES

[1] Cisco, *The 2013 Cisco Global IT Impact Survey, www.cisco.com/en/US/solutions/collateral/ns1015/Cisco_IT_Impact_Survey_Results_2013.pdf*

[2] Japan Users Association of Information Systems (JUAS), The 19th Corporate IT Trend Survey, 2012

[3] Information Technology Promotion Agency, Japan, "Corporate Challenges and Countermeasures for High Quality on the Hyper-upper Process—Survey Report in Respect of the Improvement of the Precise Review on the Hyper-upper Process," March 2013. The author has translated to English from original contents (Japanese). In any case of mistranslation, the original is correct.

[4] *Ibid*.

[5] Dream IT Research LLC, "Proper Project Plan Creation Methodology, SUSD," *Science of Success of IT Project*

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