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Business-IT Alignment and Organizational Maturity: A Program Management Approach for Continuous Improvement

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Business-IT alignment is often approached as a discrete goal to be achieved in a specific moment in time, as opposed to a continuous organizational process. This discrete one-off perspective creates the illusion that, if properly managed, an alignment initiative will lead to the desired final state of having the IT system fully aligned with the business needs.

These initiatives are typically implemented through major projects, which, more often than not, fail to deliver and meet the expectations (despite being accepted as mandatory). As the business environment is in constant change and as technology evolves, this alignment process is also inevitably continuous.

As many organizations recognize this reality, they often fall into a situation of painfully rescoping their large "ongoing" alignment projects or recurrently canceling current projects and starting new ones. In this scenario, the need to continuously "realign" IT to the changing business is perceived as a threat to business performance and competitive advantage; continuous change is not effectively capitalized over time, and opportunities are not explored.

I would correlate this problem with the degree of organizational maturity in managing change through projects. There is no doubt that the alignment process takes place in the context of projects and project management: business projects, process improvement, and IT projects are all part of continuous realignment. The difficulty in achieving effective benefits" realization throughout the alignment process stems from the absence of one of the three fundamental disciplines of change management: *program management*.

Organizational project management is today advocated as the overall process of managing an organization's business through projects (and therefore through innovative and controlled change), and it comprises three disciplines: project, program, and portfolio management. Over the last few years, a great emphasis has been given to project management as the key competency for managing discrete change. Due to its time-limited and cope-contained perspective, however, project management often falls short in delivering the necessary continuous adaptation to the ever-changing business conditions and needs.

The solution, of course, is not to abandon the benefits offered by project management of implementing discrete innovative and complex changes in a

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controlled manner. Rather, the solution is to develop a governing process capable of articulating the conception, definition, and implementation of several projects and supporting operations over time toward the achievement of a broader business *mission*. Portfolio management in turn aims at aggregating project and programs in focused areas of business investment (e.g., geography, market segment, organizational business units), and aims at controlling the overall return on investment.

Effective business-IT alignment is clearly an ongoing, "missionlike" goal for organizations, aimed at ensuring they remain competitive and well adapted to respond to the increasing demands of the environment. It therefore appeals to the use of program management. Programs tend to be directly mapped to very broad innovative initiatives, product lines, client business relationships, capability development, or continuous process improvement initiatives. While programs focus on articulating projects and operations toward a common goal, their primary performance measure is the ongoing realization of benefits.

The organizational business-IT alignment process is a perfect candidate to be modeled and managed as a program. The implementation of programs and program management requires an increase in organizational maturity to encompass the integration of project and operations management as well as an increased focus on process standardization, performance measurement and control, as well as continuous improvement. A formal process for business analysis, comprising enterprise analysis, requirements elicitation, analysis, modeling, verification and validation, and communication across the whole organization is also essential as a program management subprocess.

Today, both program management and business analysis are growing disciplines that benefit from standards and professional certification credentials (PMI and IIBA, respectively). Organizations seeking to improve their business-IT alignment process, and thereby their competitiveness will find important value added in these two emerging disciplines, as the alignment process tends toward being modeled and managed as organizational programs.

I welcome your comments on this *Advisor* and encourage you to send your insights on business-IT strategy in general to me at arodrigues@cutter.com.

Sincerely,
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