
Why Business-IT Alignment is Yesterday's War

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“However beautiful the strategy, you should occasionally look at the results.”

Winston Churchill



- » Business-IT alignment is a beautiful strategy, but if we look at the results then we have to conclude that it hasn't worked.
- » Business-IT alignment can be easy to achieve, but the real challenge is synchronisation.
- » CIOs have two strategic options: pursuing a positioning strategy (alignment) or a movement strategy (synchronisation).
- » Traditionally CIOs have adopted positioning strategies but must now focus on movement.
- » A movement strategy requires completely different capabilities than a position strategy, and most IT Departments are not equipped with those capabilities.

Business-IT alignment is included in almost every 'Top Issues for CIOs' list. Over the years we've been conditioned to think that it's a worthy pursuit and now that it's burned into our collective subconscious we don't give it a second thought. But we should.

Theoretically Alignment is Easy

The dictionary defines alignment as an arrangement or position of things in a straight line or in parallel lines. This definition implies that alignment is:

- a fixed position
- at a point in time



Based on this definition, business-IT alignment can be relatively easy to achieve. If organisations include their CIOs in the strategic planning process and then everyone, including the CIO, knows where the organisation wants to go. The strategy determines the 'fixed position' (the goal everyone is aiming at) and at that 'point in time' (at the strategic planning session) everyone is aligned.

The issue then, isn't alignment – making sure everyone is on the same page on Day 1. The issue is really about synchronisation – making sure everyone stays on the same page from Day 2 onwards.

The Real Issue is Synchronisation not Alignment

Synchronisation is defined as a “coordination of events to operate a system in unison.” If alignment is about two dancers striking a static pose for a photograph, then synchronisation is about those dancers being perfectly coordinated while they dance.

Unfortunately there are four types of lag that make it almost impossible for IT Departments to stay synchronised with the organisation:

- **Stimulus lag:** the delay between the business changing course and IT finding out about it
- **Response lag:** the delay between IT finding out about the change and deciding what to do about it
- **Execution lag:** the delay between IT deciding what to do and actually doing it.
- **Results lag:** the delay between IT completing what it needed to do, and the business seeing the results.

In an ideal world there would be no lag and IT would be perfectly synchronised with the rest of the organisation. Although we don't live in such a world, CIOs should nonetheless aim to reduce each of these lags as close to zero as possible.

It may appear that the distinction between 'alignment' and 'synchronisation' is a pedantic one: after all, if we are aligned at ALL points in time then we are synchronised (and vice versa). But the distinction is important.

Two Strategic Options for CIOs

Fundamentally, there are two strategic options available to CIOs. The CIO can choose a:

- Position-based strategy
- Movement-based strategy.

Choosing the correct option for their organisation is the most important strategic decision a CIO can make because all other strategic decisions cascade down from this one.

The difference between the two strategies can be illustrated with a military analogy.

Originally war was based on 'positioning' strategies: pitched battles, formations, fortifications (e.g. castles) and fixed defences (e.g. the Great Wall). The army that had the best position (i.e. better cover, or higher ground) usually won. Most recently, World War 1 was all about positioning – trench warfare was all about finding a good position and digging-in.

But then Germany innovated. When their 'movement' strategy of blitzkrieg (lightning war) came up against the 'positioning' strategies favoured by traditional European commanders, the result was utter devastation. Even the best 'position' strategies, such as the Maginot Line which was thought to be impregnable, proved no match for the constant movement of blitzkrieg.

Germany's strategic decision to use movement rather than positioning provided a context for making all other decisions. The Germans paid as much attention to supply chains and communications as they did to weapons. Moreover, military hardware was designed for speed, manoeuvrability and range not for impregnability and firepower.

Why IT Must Adopt a Movement Strategy

There are parallels between military strategy and IT strategy:

- Business-IT alignment is really a positioning strategy
- Synchronisation is a movement strategy.

Until now, CIOs could successfully use a positioning strategy because that was the basis of competition used by most organisations: stake out a position and doggedly defend it with year-on-year operational improvements. But times have changed. Success is now about how well you anticipate change, how quickly you respond and how effectively you adapt.

CIOs that adopt a positioning strategy while their organisation moves to a movement strategy will see a growing gap between what the business needs, and what IT can provide.

Let's assume IT understands the organisation's strategy and trudges off in pursuit of the objective. When they get to where they think organisation needs them to be, they dig in. They build fixed fortifications and defences. Having built the stronghold to the organisations exact specifications they sit and wait. In other words, IT builds the 'enablers' that the organisation said it would need – by embarking on lengthy, risky and costly projects such data centre upgrades, software development projects, ERP implementations, process reengineering and the like.

But somewhere along the line, the organisation is forced to change plans. IT comes under pressure to decamp, move to a new position and re-establish a new position. In its haste, IT leaves behind fortifications and armaments which are no longer of any use (cancelled projects, underutilised data centres, software that no longer fits the needs of the business). As soon as IT has established their new position, the organisation changes direction again – and the never-ending cycle continues.

New Competencies Required

There is an obvious paradox here. The more entrenched your position, the safer you are – but the harder it is to move. The easier it is to move, the less defensible your position.

In other words, the competencies needed in a war of positioning are different from those needed to succeed in a war of movement.

CIOs that continue to focus exclusively on operational excellence are really fighting a war of positioning. They have decided their position and then the IT Department digs in. Every operational improvement cements the status quo and makes it all the more

difficult to change (move). Day by day, the soldiers improve their position and eventually they become comfortable and complacent.

The better you get at doing one particular thing, the less you're capable of doing something else. The cost of efficiency is a lack of flexibility. Flexibility necessarily means trade-offs but whenever there are trade-offs you are not optimising (i.e. you're inefficient).

CIOs biggest challenge has always been balancing efficiency (keeping the lights on) with flexibility (moving the business forward). Until now, getting this balance right has been a 'nice to have' but in the future it will be indispensable.

Not Too Much Movement

As the Germans found out in Russia, too much movement fatigues the troops, wears out equipment and stretches supply chains. Planning, communicating and coordinating becomes extremely difficult.

CIOs need to be mindful that a need for movement is not an excuse for impatience. Constantly changing direction in pursuit of the next great idea can only lead to confusion and poor performance. Plans need to be given time to bed down and people need to be given time to adjust.

Guerrilla Warfare: Outsourcing and Cloud Computing

In war, the ultimate movement strategy is guerrilla warfare. The success of guerrilla warfare lies entirely in travelling light, moving fast and improvising.

Guerrillas don't have fixed positions (data centres) and aren't burdened with cumbersome equipment (legacy software) and if they need additional firepower they bring in mercenaries to help (outsourcers).

Future CIOs will similarly be 'travelling light' – without large staff numbers, data centres or on-premise software. Their strategies will be closer to 'guerrilla warfare' than the 'positioning' strategies most CIOs have employed until now.



Conclusion.

CIOs must be capable of synchronising with the business, not merely aligning to it.

The positioning strategies employed by many CIOs focus on defending the status quo through operational excellence. The price of this extra efficiency is a lack of flexibility. Eventually, core competencies become core rigidities.

Positioning strategies have their place but focussing entirely on positioning to the exclusion of movement will have dire consequences for IT Departments. CIOs that pursue such outdated strategies will find themselves in a similar position to the European generals: fighting yesterday's war. With equally devastating results. □

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