

Aligning IT and Business Communities

Many organizations find themselves coping with a serious and often detrimental divide between their IT and business teams; some solutions

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Tuesday, August 01, 2006



In today's increasingly complex business climate with its emphasis on increasing margins, decreasing costs and doing more with less, it is critical for all parts of the enterprise to work together toward achieving common goals. These goals include making the best IT investment decisions possible. Yet, many organizations find themselves coping with a serious and often detrimental divide between their IT and business teams.

This divide expresses itself as a lack of common understanding of how IT can best support the organizational strategic objectives -- leading to higher costs, wasted resources, delayed time to market, significant rework and customer or end-user frustration. In my consulting practice, I often hear IT teams agree they would be happy to build and maintain any necessary system to improve business productivity, but they are frustrated with their business partners, who seem unable to articulate exactly what they need and want. At the same time I hear the business operations group complaining that IT is unresponsive to their needs and continually delivers solutions that fail to support the overall objectives. Research analysts at the Standish Group conclude US corporations spend over \$60 billion each year on IT project work that is ultimately cancelled. The research goes on to show nearly half of all IT projects fail to deliver the full set of requirements on time and within budget.

Complexity Makes the Problem Worse

As IT projects become more complex, this disconnect is amplified. More and more projects are crossing back office and front office domains, involving countless diverse stakeholders. Addressing critical issues such as financial compliance requires cooperation among virtually all departments across the enterprise. Likewise, companies looking to utilize business process management and other cross-departmental technologies run into numerous cross-functional challenges. Extended supply chains, such as those common in ecommerce solutions, require tight coupling and information exchange among different parts of the enterprise as well as third parties such as suppliers and partners.

Properly aligning the key constituents and driving consensus of all parties before writing code or selecting and implementing a package helps to maximize the business benefits of the initiative, while reducing the likelihood of delivering a defective solution. The perceived lack of cooperation between business and IT often has little to do with ill will and more to do with a misunderstanding about one another and what each party brings is trying to accomplish. Often the two parties lack a common vocabulary and can often have very different objectives, motivations, and visions of the desired outcome.

For example, a technical solution that imposes some manual steps and has less than the originally requested functionality may seem to be a bad option from the IT group's point of view. However, because that solution may be significantly less expensive and can be deployed in significantly less time than a more robust solution, the business may be very happy to accept it as long as it solves a serious their problem. Waiting for and paying for the "best" technical solution may not be worth it. This is especially true if the business problem relates to new customer acquisition and retention or to mandated reporting and compliance.

Another area of frequent and expensive disconnects is reporting. End users typically want as much reporting flexibility as possible and tell IT they need the ability to produce an endless array of reports. IT can certainly build a highly flexible reporting solution. The downsides of such a complete and flexible solution include a protracted development cycle, high cost, and often very high learning curve for end users. A more streamlined set of core reports, addressing key performance indicators, with the added ability for power users to download data to a third party reporting package or a spreadsheet, may be the best solution. Unless all of the options are discussed and all the "what if?" questions are asked the organization risks deploying a solution that is either too much or too little.

The Words Get in the Way

The Business is concerned about bringing in new revenue and streamlining operations, while IT must produce technology that supports new initiatives while driving down costs and ensuring adherence to technical standards. Advertisers woo business managers with the latest and greatest technical features, while technical teams must contend with integrating these new capabilities with cumbersome legacy systems. Moreover, each group's method of communicating may be very different. Marketing and sales professionals, for example, tend to be gregarious and speak oft and quickly of big picture goals without considering the technical complexity and risk associated with delivering requested capabilities. Highly detail-oriented IT staff, eager to add value, may not be able to rein in the business's enthusiasm or present alternate solutions that deliver the same business benefits.

There is a Better Way

While these challenges may seem monumental, solutions do exist. There are methodologies for mitigating project failure points by bringing together the right stakeholders--end users, executive sponsors, subject matter experts, IT, and developers--to communicate and generate creative ideas, set priorities, evaluate options and set realistic expectations. Strong executive sponsorship empowers participants to make decisions and then own those decisions through the development lifecycle. The result is a clear and well-articulated business-based plan along with a common vision and vocabulary -- the words no longer get in the way.

In fact, research shows that these steps significantly increase the likelihood of success. The 2001 study by Victor Basili and Barry Boehm at The Center for Empirically Based Software Engineering documented that the relative cost to fix a defect in testing is between 20-80 times the costs of resolving it during the requirements phase.

Workshops are another important factor in project success. Companies applying workshop approaches typically experience an astounding 40 percent reduction in project design time [Source = Joint Application Development]. In addition, workshops and prototyping have proven 1.5 times as effective at removing software defects as dynamic testing--proving the critical importance of communication among business and IT. [Source = Gartner]

For example, a CTO at a major financial institution believed he needed to become a better service provider to his internal clients and he was frustrated because he could not gather clear information and the direction he needed to be a strategic advisor. The company had made a

strategic decision to invest in technology to maintain its client database, but IT was not comfortable venturing into this unknown territory. Likewise, the business managers were having difficulty seeing the big picture of the project and were unable to evaluate options and fully participate in the debate. All the while, the business's commitment date to management loomed closer.

Engaging parties across different functions--from IT to sales to investment professionals--in a series of specialized exercises rapidly crystallized the client's business vision into an actionable plan. During these sessions, stakeholders worked through misconceptions, and received guidance on steering the conversation in a productive manner.

While this may seem obvious, getting everyone "on the same page" is a common challenge. Using highly interactive facilitation techniques engages the cross-functional team in animated discussions and analysis. Working through these issues from a strategic point of view, the cross functional team determined how each stakeholder's individual skill set could be applied to this broader problem.

Senior executive managers needed to gain guidance for the initiative and ensure that top executives were in agreement across domains. With this agreement in hand, they were able to quickly take these initial ideas to bring in day-to-day managers to determine how this functionality will map back to the big picture goals and objectives.

This step involved a visual rather than a narrative approach to illustrate key business processes. The facilitated workshops enabled the team to define process and workflows, connections and properties, and to map business functionality down to the functional and screen level. Looking at actual flow or prototype screens helps move stakeholders beyond the "vision" state so they can see and feel what will impact their jobs.

Conclusion

Communication and alignment problems are a leading cause of IT project failures. High-intensity, facilitated workshops are a time proven and effective way to promote creative collaboration, joint ownership, and consensus among diverse stakeholders. This critical process helps organizations envision high-level functional requirements, process flows, dependencies, options, and relative priorities--quickly moving from a 30,000-foot view to a 5,000-foot view, before the programmers write a single line of code. This effective alignment helps alleviate project scope problems and misunderstandings that often derails IT projects.

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