Judging from a recent roundtable on business-IT alignment, IT's increasing importance hasn't translated into closer relations with organisations.

BY JONATHAN HOPFNER

Separate but equal?

Business is business, technology is technology and rarely the two shall meet—at least that was the unhappy picture painted by delegates at a recent roundtable in Singapore on the issue of business-IT alignment. Though the last decade has seen solutions and IT's reach extended dramatically, most of the IT executives in attendance felt that the disconnects between their shops, the boardroom and the wider user base were as persistent and problematic as ever.

“It's an interesting question, why this gap is still a relevant topic after so many years,” says Michael Fung, associate director of strategic planning at Singapore Management University’s adjunct faculty of information systems.

“My take is IT has become far more strategic to the business, whereas in the earlier years it was all about automation. With it becoming more strategic, very naturally the question comes of how you bridge the gap so IT and business run at the same pace.”

“We all know there’s a gap [between IT and the business] because IT was always very technical, and now all because of things like Sarbanes-Oxley compliance, we have to be constantly in front of the board or management, and we have to understand how the business is working,” agrees Vinod Sukhija, director of IT at the Regent hotel in Singapore. “Spending on IT has really increased over the last three to four years, so there’s a lot more on the line,” he adds at the roundtable, sponsored by SAP and moderated by CIO Asia editor Teng Fang Yih.

A Growing Gulf

There was some debate over whether the gulf between IT and the rest of the business was the result of shortfalls on IT’s part or inflated expectations. But regardless of the root causes, few saw the situation improving in the immediate future.

“The gap is widening to a certain extent, because nowadays people are putting more things under IT,” says Kong Fook Keong, director of information systems at Cisco Security, pointing to networked projectors and voice over internet protocol (VoIP) as two examples of technologies that have brought what was once standard infrastructure into the IT domain.

“The scope of IT has grown significantly because of the internet trend, and because of that explosion of...
responsible, the management of IT has become much more complex and difficult. If you look at it in terms of skill sets, it’s a challenge because my guys need to understand telephony, the convergence of technologies, whereas previously they just supported databases.

Simon Dale, senior vice-president and chief technology officer at SAP Asia-Pacific, sees the steady development of IT’s role as a direct reflection of broader changes sweeping society.

“Because people are more exposed to technology in their personal lives and see the speed of technology delivery to them as consumers, that sets their expectations that technology in their own business should be delivered at the same rate,” he points out. “The line between business processes and IT is blurring significantly, and the business now expects business process to be managed by IT and delivered as much as possible by IT.”

Technology executives can take some pride in the fact that they’ve never been in more demand, but many are already warning their constantly shifting obligations will result in some formidable burdens.

“IT is now expected to be a jack of all trades, and if you’re a jack of all trades, you can’t be master of any one of them, because you’re attending to so many different businesses and needs,” sighs Tan Ai Tong, director of corporate information security at contract manufacturer Celestica Electronics Singapore. “If you’re attending to just one customer, it’s easy to bridge that gap, because then you can focus all your attention and resources on it, but if you’re trying to address different customers with different needs and still need to continue cutting costs and driving efficiency, it’s almost impossible.”

Teo Chin Seng, former CIO of Singapore Technologies Engineering, believes there’s now a tendency to look to IT to provide solutions for issues that should be well outside the job description.

“Because we’ve become strategic and a tool of governance, we’ve become the tool of integration,” he says. “When two departments don’t talk we’re expected to bring a solution and link them together; if they don’t communicate it’s suddenly an IT problem. We may be victims of our own success—we’re not business experts, neither are we social network experts, but when two departments quarrel, they’ll use IT as a proxy.”

**Drawing the Line**

So how can IT departments bring the hopes of business back down to earth and start building more harmonious, mutually supportive relationships? Some delegates were clear advocates of a tough approach.

“Today my first words to users would be ‘Tell me why you’re not adapting to IT rather than asking why IT is not adapting to you,’ says Teo. “It’s confrontational but you have to take a stand, just agreeing to do everything is very bad because high expectations are set.

“If you confront users, you’re showing them the limits IT has. Businesses do
need to take some ownership, and (IT) has to put a stake in the ground and say actually you should adapt to the technology, the technology shouldn’t adapt to you so much,” agrees SAP’s Dale.

“There’s got to be more of a meeting in the middle.”

Noel Low, regional IT director for Becton Dickinson Medical Products, is prepared to go even further and remind business units they need to be the ultimate owners of an IT project.

“My belief is there’s no such thing as an IT project, there’s a business project and IT enables it,” he says. Our role in IT is really to be partners with the business, to say you’re part of the solution. It’s when IT tries to own something and drive ahead that it falls apart.”

Translators Needed

Others felt IT could do more to endear itself to the business if the two sides could simply speak the same language. After all, points out William Chong, business technology director-corporate solutions for Asia-Pacific at Jones Lang LaSalle Singapore, alignment “exists in the minds of people, and there’s a lot of social elements in getting people to do the same thing.”

“Frequently we do ourselves a disservice—it’s about managing expectations but also the level of detail we give to our senior management or board,” says Singapore Management University’s Fung. “When we get bogged down in explaining technology, [management] thinks you can’t speak the language of business and you start losing credibility. The CFO doesn’t go to the board and say ‘Take a look at this specific spreadsheet and all these wonderful formulas!’ They go to show them the top-down numbers.”

The real question is how to foster this “intersection” of business and IT in upper management.

“How do you train leaders in this area—you can call them techno-strategists, you can call them business-IT people, whatever, but we find in the industry there’s a general lack of talent here,” adds Fung.

But is creating a “hybrid” leader with one foot in technology and the other in business really a good idea? Goh Lin Piao is vice-president of information systems at resources development firm RGM, and sits on the company’s board with responsibilities in departments like finance and HR due to his oversight of its shared services initiative. He has his doubts.

“Now (others on the board) are saying you drive finance, strategy, governance, all of it,” he says. “Has that solved your problems? I don’t think so, because now management is always thinking about business processes in terms of what IT systems they need.”

This “merger” of IT and other functions results in people looking for efficiencies that may not favour the IT shop, he says. His organisation, for example, used to have a dedicated team to handle the integration of a firm into its operations post-acquisition, but this is now largely IT’s job.

Some see signs of hope in new
technological approaches like service-oriented architecture (SOA), which promises to help IT improve the delivery of services by linking applications to support business processes. But others were decidedly more cynical about the ability of SOA, or other solutions, to contribute to an IT-business union.

“If SOA actually makes us more agile and faster at prototyping or demonstrating solutions to business users, then I think it’s the way to go, but if IT has to hide in a room for two years doing SOA to come out and say it’s SOA-certified, then we’re really detached from the world,” says Teo.

Celestica’s Tan says he could do with far fewer innovations such as SOA that are nominally introduced to improve the running of IT departments and the lives of CIoEs.

“We have to keep up with technology changes, and the changes are not incremental, you’re throwing away what you know and learning everything again,” he says. “In the end, what’s the value of learning about web services or these kinds of things when a few years later something else comes along...

“We need to make sure whatever is introduced doesn’t have that leapfrog change that makes everyone throw away what they’ve invested and move to something untested. In some cases, that will lead to difficulties.”

**Vendors’ Support**

Tan also believes vendors have an important role to play in bringing business and IT closer together. “I think today vendors are part of the cause of the [IT-business] gap, because they’re the ones that dictate when you have the next upgrade... how are you supposed to tell your business you need to have some money to move from one version [of software] to another?

“They’ll then ask you what the real value is and it becomes your problem.”

Unfortunately the IT executives present saw few quick fixes for the divide between technology and the business. But most felt improved dialogue would at least be a start.

“Running an IT shop, you need to communicate a lot, engage users frequently, understand the strategic directions of the business very well, so whatever you pitch, it’s spot on for the business, then you build credibility,” says Singapore Management University’s Fung.

“On the other side, users should have an understanding of how IT operates.”

Others believe IT needs to work harder to demonstrate its relevance to all aspects of the business.

“The budgeting process is an excellent opportunity to grow the perception that IT is an asset, not a liability,” remarks Low Keong Keong, vice-president, trusted source, Temasek Holdings. “When we go for the annual budget, we justify new budgets, but we should also review existing budgets and bring returns on investment to reinforce our position.”

In the end, notes Bernard Ng, vice-president of information systems at testing and certification firm TUV SUD PSB, there has to be some acceptance that alignment is more a process than a goal that’s reached.

“We must recognise that the nature of business is dynamic,” he says. “If the company’s progressive, chances are the business will be constantly changing, and a lot of things will have to be realigned again and again.”

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