

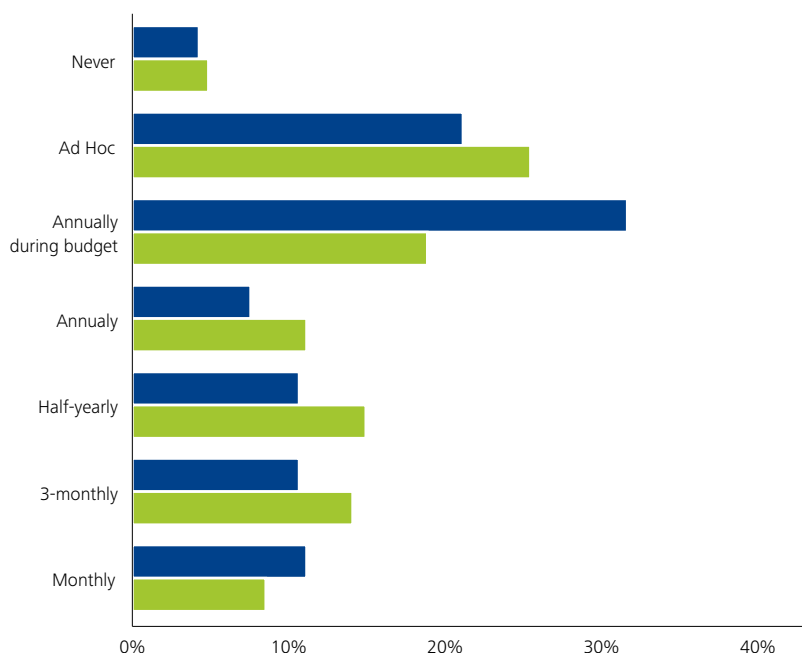
Strategic Diagnostic of Business-IT alignment



The alignment between business and IT is one of the most important aspects of IT governance. IT governance generally helps firms defining who is responsible for what and how IT decisions are made. IT-business alignment enables firms to adhere to business objectives, and to maximise the value from investments.

The IT business balance survey was conducted by Deloitte in 2008 on about 300 Business and IT decision makers. One of the key findings of the survey was that alignment of corporate and IT strategies remains a topic rarely discussed at top level. It appeared that only in 33% of the organisations strategic alignment sessions are regularly being held. Both business and IT representatives indicate that the primary focus is on financial alignment of the investment portfolio and to a lesser extent evolution activities and IT changes.

How frequently is the IT strategy aligned with company strategy?



“Alignment of corporate and IT governance remains a topic rarely discussed”

Concerns

Organisations that lack Business-IT alignment, often have the following concerns:

- IT-driven projects do not meet time & budget constraints;
- IT investments do not pay off;
- Uncertainty whether IT strategy and principles are appropriate;
- IT organisation is not able to meet the business requirements;
- Struggling with the various compliance requirements;
- Financial reports are not available in a timely and accurate manner;
- Unclear (out)sourcing strategy;
- No satisfaction with the service levels provided by the IT service providers;
- Insufficient implementation of security controls;
- Not able to optimize the IT budget utilization.

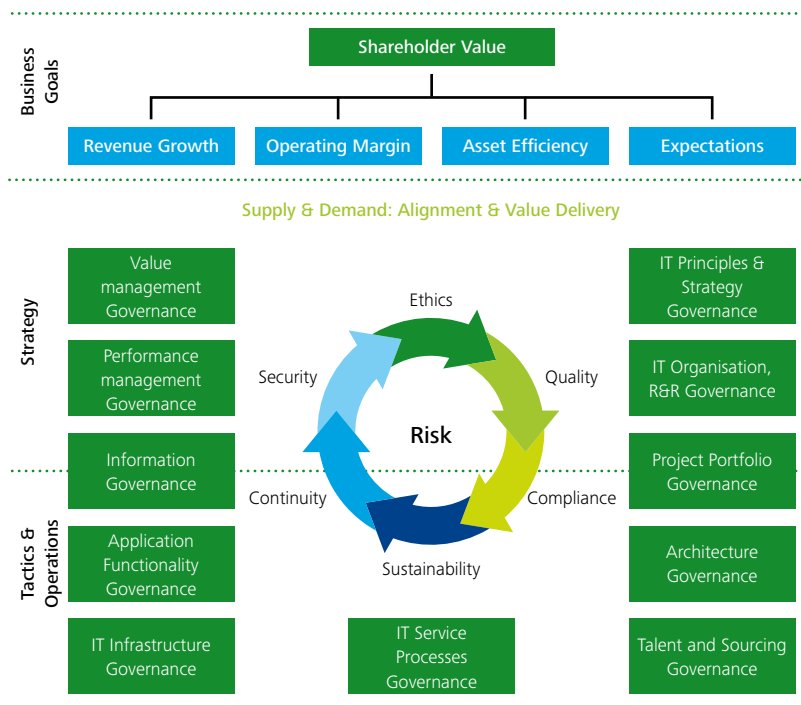
Solution

Deloitte developed a framework for IT Governance that covers the different building blocks of good IT Governance, and that links those to Shareholder Value. In this model, Business-IT alignment is represented as the coherence between the business requirements and the different domains of IT Governance. It is important to have all these IT-domains aligned with the business objectives.

Deloitte has developed an approach to sheds light on the misalignment between business objectives and IT domains.

Using the Strategic Diagnostic, we determine the key issues and their root causes, as well as their relevance to the business and IT. The deliverable of this Strategic Diagnostic is an assessment report. The report covers an overview of the proposed improvements.

By identifying the key issues and root causes, the report enables you to prioritise improvements, create a roadmap and implement the improvements in order to bridge the gaps.



Research

Deloitte's "IT-Business Balance" survey researches IT Governance and Business-IT Alignment. Read more on www.deloitte.be.

Value

The added value of having the IT environment aligned to the business requirements:

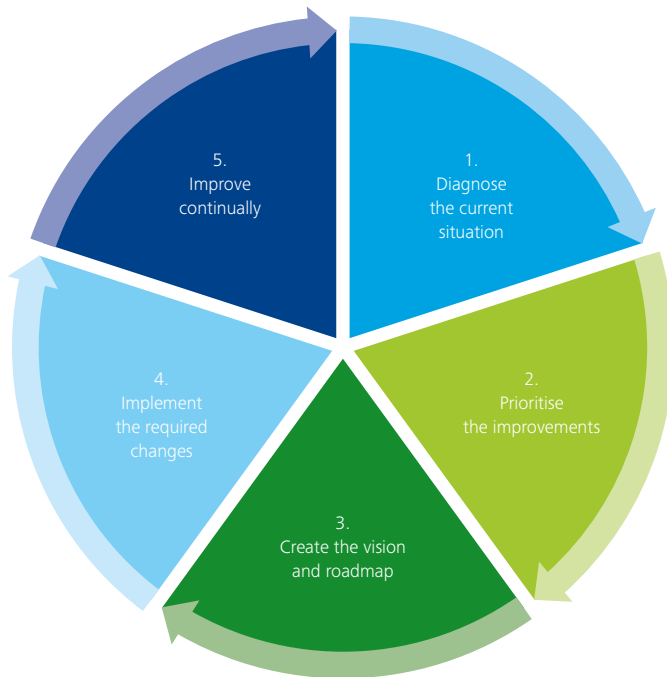
- IT supports the business strategy, aims and objectives, adds value to the business and drives business success.
- Demands on IT are managed and met in an efficient and consistent manner.
- Appropriate and effective processes are in place to deliver quality efficiently;
- IT Risk management is in place, turning risks into opportunities, through our "Risk Intelligent Enterprise" approach;
- IT is compliant with relevant laws and regulations;
- Performance is measured to keep improving the way IT creates business value.
- Having an aligned architecture in place, this will enable the agility of the organization to react on changes in the organizational environment;

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