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Editors' Comments - Special Issue on IT-Business Alignment

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EDITORS' COMMENTS

FROM THE GUEST EDITORS

For over 20 years, researchers and practitioners have maintained that IT-business alignment is essential if firms want to generate business value from IT. Many tools and techniques have offered the promise of greater alignment, ranging from use cases to IT-business relationship managers and from business-led project teams to IT governance practices. Yet despite years of research and practice, the annual survey of SIM members indicates that IT-business alignment remains among the top concerns of CIOs today. An article in the September 2007 issue of *MIS Quarterly Executive* indicated that, despite the proliferation of articles, books, and tools and methodologies, there is still no silver bullet for alignment. The good news is that firms have made progress in mastering alignment as indicated by the fact that many firms are at Level 3 of a five-stage maturity model. But many challenges persist, and alignment remains an elusive goal.

This special issue was motivated by a desire to understand how business and IS managers are confronting the challenges of mastering alignment through successful frameworks, practices, and behaviors. What actionable perspectives could drive our thinking about the management of strategic alignment? The four articles published here contribute to the goal of the special issue by addressing unique challenges in alignment and demonstrating a combination of practices that can help executives master IT alignment and insure that IT and business mutually leverage and complement each other. Together, they provide valuable and interesting perspectives about the practice of alignment in three ways. First, these articles show that the development of a shared vision between business and IS executives, as well as between a firm and its external partners is important in getting to business-IT alignment. Second, these articles show what actions and practices, CIOs should take in order to develop their firm's own capabilities for leveraging their outsourcing relationships. Finally, these articles point to a more difficult challenge in business-IT alignment, viz., enterprise alignment. Enterprise alignment is the coordination of actions across multiple business units in making decisions about significant IT investments and initiatives. As firms seek integration across their

business units, locations, functions, and processes, enterprise alignment will be a significant challenge. The articles in this special issue provide guidance for building enterprise alignment.

David Preston and Elena Karahanna ("How to Develop a Shared Vision: The Key to Strategic IS Alignment") argue that the "meeting of the minds" of the CIO and the members of the top management team on IT value propositions is key to strategic alignment. They identify six specific mechanisms that CIOs should use to enhance the development of a shared vision with their top management team. In addition, they identify different ways in which CIOs could utilize these mechanisms to build a shared vision. Their study provides actionable guidelines to CIOs about how they could facilitate alignment through a shared vision, depending on whether they are a formal member of the top management team and whether they report to the CEO.

Arun Rai, Ghiyoung Im, and Rob Hornyak ("How CIOs can Align IT Capabilities for Supply Chain Relationships") examine what actions firms should take to get value out of their outsourcing relationships. They identify four different modes of supply chain relationships through which firms collaborate with their partners, and identify the types of IT capabilities that are needed to make these collaboration modes effective. This article provides benchmarks about how CIOs should invest in appropriate IT capabilities to facilitate their existing modes or supply chain partnerships or migrate to other modes of partnerships.

Biswadip Ghosh and Judy Scott ("Relational Alignment and Offshore IS Outsourcing") examine what type of actions and practices will facilitate alignment between firms and their vendors in an offshoring context. They argue that significant gaps in knowledge between the vendor and the client could impede the effectiveness of the offshoring arrangement. Based on their research, they describe six specific practices for improving the relationship and facilitating shared knowledge development.

Nils Fonstad and Mani Subramani ("Building Enterprise Alignment: A Case Study") argue that most multibusiness firms should focus on two forms of alignment: local and enterprise alignment. Local

alignment refers to the focus on serving the IT needs of a specific business unit, whereas enterprise alignment requires the coordination of IT innovation, investment, and use actions across the enterprise. Success in facilitating enterprise alignment can be more difficult. Their research identifies significant actions that are needed to facilitate enterprise alignment in ways that complement local alignment.

The papers in this issue shed important light on addressing some of today's alignment challenges. However, it is likely that the puzzle of IT-business alignment will never be completely solved because neither IT nor the business context is static. On the one hand, continued innovation in IT related to technological developments and ways of extracting greater value from IT such as service-oriented architectures, cloud computing, the ubiquity of mobile devices, etc. will create new challenges for CIOs as they establish structures and mechanisms to link these to the business. On the other hand, the evolving business environment will continually morph the CIO's objectives by simultaneously placing new demands and modifying existing ones. Thus continued research is necessary on this important topic.

The special issue would not have been possible without the hard work and dedication of the reviewers. We thank them for their insightful feedback that helped the authors refine their papers. We also thank Jeanne Ross, the outgoing Editor-in-Chief of *MISQE*, and Carol Brown, the current Editor-in-Chief, for initially helping in the conceptualization of the special issue and subsequently working closely with us in shepherding the papers.

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Special Issue on IT-Business Alignment
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FROM THE EDITOR-IN-CHIEF

It is an honor for me to become the third Editor-in-Chief for *MIS Quarterly Executive*. The two association sponsors of this journal reflect the academic-practitioner community partnership that is so important to all of us who have volunteered our service to this journal: the Association for Information Systems (AIS) and the Society for Information Management (SIM).

The idea for this journal was hatched at the beginning of this decade, a time when the dot.com bust was affecting all of us in the IS community. Just a few years earlier many IT leaders in the Fortune 500 had abandoned their well-earned posts for what was seen as a once-in-a-lifetime opportunity: riding the wave of a "new economy." Despite the meltdown, IT investments have continued across the U.S. and the globe. In U.S.-based financial services companies, some IT budgets as a percentage of revenues reached double-digit highs as markets, institutions, and individuals became tightly linked via global networks. Who would have guessed that an even swifter and more widespread economic phenomenon would be upon us today, less than one decade later.

As an optimist, I take heart in the admonitions by Peter Whatnell, SIM president, who in a recent *Wall Street Journal* interview reminded us to "never waste a good crisis." Today's CIO role includes keeping a careful eye on actions taken today that could not just help our organizations survive the downturn, but also thrive in the future.

MISQE's first Editor-in-Chief was Jack Rockart, now an emeritus professor at MIT. Under his leadership, the standards were set for a publication outlet for academic research that was not only academically rigorous and practitioner-oriented, but also specifically targeted a CIO readership. By 2006, when Jeanne Ross of MIT-CISR assumed the editorial reins, *MISQE* had a multi-year track record as a quarterly journal under the guidance of an expanded editorial board of leading academicians. Since then, the pipeline of publishable articles has gradually increased. Two of the *MISQE* initiatives that contributed to this increased pipeline are the redesign of the annual pre-ICIS Academic Workshop sponsored by SIM to focus on a single, high-level theme for a future *MISQE* issue, and hands-on AIS conference workshops that Senior Editor Cynthia Beath developed to help potential authors craft *MISQE* articles from their academic research findings.

MISQE's Senior Editors and Editorial Board represent today's best researchers on IS management issues. As we continue to benefit from having Alan Dennis at Indiana University as our publisher, I am confident that this journal will continue to fulfill its mission of providing useful research findings to practitioners, informed by insights of leading IS scholars from their increasingly global vantage points.

For this March 2009 issue I am grateful to our Special Issue editors, Ritu Agarwal and V. Sambamurthy, both well known in IS academe and the SIM APC community, for eliciting and helping to shape academic papers on the topic of *IT-business alignment*. The articles in this issue expand the scope of alignment challenges to include relationships with external business partners. As today's IS leaders seek to make good decisions for the current economic environment, as well as for the future, attaining alignment will become an even bigger challenge. I am confident that these articles will provide some useful food-for-thought during these times of economic uncertainties, and beyond.

I also encourage our readership to seek out articles published in earlier *MISQE* issues that offer useful insights about IS management actions that have yielded effective results in different contexts – such as during prior economic declines, under organizational restructuring events and partnering arrangements, and when seeking benefits in addition to cost savings from outsourcing relationships.

All of us on the volunteer *MISQE* Board welcome your thoughts about how this journal can continue to share useful knowledge across academic and practitioner members of the IS community.

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MESSAGE FROM SIM

I continue to be reminded by Mike Hammer's words that "the soft stuff is the hard stuff." These four articles all talk about relationship management, whether in the context of an outsourcer or a business executive. Alignment has always been a key issue of IT executives, as evidenced by its consistently high marks in SIM's annual survey. The four articles here all provide an interesting approach to achieving alignment within the respective target areas.

SIM's regional leadership forum (RLF) has been teaching the "soft stuff" to IT leaders for well over a decade. The RLF is an intensive nine-month leadership development program that prepares the next generation of IT professionals to be IT leaders. Please contact SIM headquarters at (312) 527-6734 if you have interest or can refer an applicant.

Please also join us for the society's next annual meeting: SIMposium 09, November 8-10 in Seattle, WA. For further information, visit www.SIMnet.org.

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