

The Lack of Alignment in IT



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The last IT Impact Brief politely suggested, "It's the Application, Stupid". The key theme of that brief being that a company's business and functional managers do not attribute much business value to the IT infrastructure. These managers do, however, attribute significant value to the key applications that they use to run their business and functional units.

In conjunction with NetScout, I recently surveyed roughly 150 IT professionals on a variety of topics. Those survey results are the basis of this IT Impact Brief that will focus on the degree to which IT organizations plan and manage the IT function holistically across all IT disciplines, including applications.

Organizational Structure

One of the questions that we asked the survey respondents was to identify the technologies that are included in their group's scope of work. We defined "group" as referring to their manager and all the people that report to him/her. Table 1 contains the set of technologies that were listed in the question, along with the percentage of respondents that indicated that that technology was part of their group's work.

Table 1 - Respondents Group's Technology Responsibilities

Technology	Respondents
WANs and MANs	96%
LANs	93%
Voice and/or Video	68%
Security	58%
Servers	36%
Applications	32%
SANs	30%
Messaging	29%



The survey data was analyzed to identify the set of technologies that were included in the survey respondents group manager's span of control. As shown in Table 2, the vast majority of group managers have a span of control that includes the primary networking technologies: WANs, MANs, and LANs. However, only one in seven has a span of control that includes a wide range of technologies; i.e., WANs, MANs, LANs, Voice/Video, Security, Servers and Applications.

Table 2 - Span of Control

Technology	Respondents
WANs, MANs, LANs	92%
WANs, MANs, LANs and Voice/Video	64%
WANs, MANs, LANs, Voice/Video and Security	44%
WANs, MANs, LANs, Voice/Video, Security and Servers	18%
WANs, MANs, LANs, Voice/Video, Security, Servers and Applications	14%

Survey Analysis

We asked the survey respondents to indicate their agreement or disagreement with a dozen statements about organizational dynamics. The respondents were given five possible answers: Strongly Agree, Agree, Neutral, Disagree, and Strongly Disagree.

IT professionals tend to be conservatively optimistic. As a result, in response to a survey question that asks about a future direction on a sliding scale, the norm is to have the responses cluster just to the optimistic side of the middle of the scale. The responses to our survey question about organizational dynamics followed the norm.

In this type of situation, it is seldom instructive to analyze the bulk of the responses at the middle of the scale looking for minuscule differences. The most insight in this type of situation comes from looking at the responses at the extremes of the scale. With

that in mind, the analysis in the next two sections will focus on the percentage of respondents whose answers were “strongly agree”.

Fifty-six of the survey respondents indicated that their job responsibility was as an IT professional with a strategic focus; i.e., consulting, planning, design, technology evaluation. Coincidentally, fifty-six of the survey respondents indicated that their job responsibility was as an IT professional with an operational focus; i.e., configuration, trouble shooting, Moves/Adds/Changes. For the bulk of the survey questions, there was no significant difference in the responses of these two subgroups. However, in some cases there were some notable differences, and these differences are highlighted in the following analysis.

IT Alignment

A number of the statements about organizational dynamics focused on topics related to alignment. Those questions, and a summary of the responses, are contained in Table 3.

Over the last few years, one of the recurring mantras in the IT industry has been the need to align the IT function with business. With that in mind, we asked the survey respondents to indicate their agreement with the statement that “our company has aligned its IT organization with its business units.” Twenty-one percent of the total survey base strongly agreed with that statement. As shown in Table 3, the survey respondents whose job title is “professional - operational” are much less likely to strongly agree with this statement than are respondents whose job title is “professional - strategic”. One possible explanation of this difference is that respondents with a job title of “professional - operational” are not in a position to be aware of some of the steps that have been made to align the IT organization with the business units.

While it is encouraging to think that progress has been made at aligning the IT organization with the company's business units, the responses to other questions raised some doubt about how well the components of an IT organization are aligned with each other. For example, the survey respondents were asked to indicate their agreement with the statement that “Our company has aligned its IT infrastructure organization (networks, servers, security) with the applications organization”. In this case, only 14% of the respondents strongly agreed with that statement.

As shown in Table 3, the “professional - operational” subgroup are much less likely to strongly agree with this statement than is the “professional - strategic” subgroup. One possible explanation is that there has been some modest success in aligning the IT infrastructure organization with the applications organization from a planning and design perspective. However, there has been less success in aligning these two organizations from an operational perspective.

While it is important to ask about organizational alignment, it is sometimes difficult to interpret the responses. For example, a common technique that is used to create an alignment between two organizations is to appoint someone in one of the organizations to be a liaison to the other organization. While this establishes an alignment from a theoretical perspective, it may not have any impact in terms of how the organizations actually perform.

With this in mind, we asked the survey respondents to indicate their agreement with the statement that “IT initiatives at our company are planned and funded holistically across all of the IT disciplines.” Only 8% of the respondents strongly agreed with that statement.

Table 3 - Planning and Business Management

Statement	Total Survey Base	Professional Strategic	Professional - Operational
Our company has aligned its IT organization with its business units	21%	25%	16%
Our company has aligned its IT infrastructure (networks, servers, security) with the applications organization	14%	18%	7%
IT Initiatives at our company are planned and funded holistically across all of the IT disciplines	8%	9%	5%

The responses to these survey questions support the conclusion that from an alignment perspective, IT organizations have been more successful at establishing an alignment with the company's business and functional managers than they have been in establishing a tight alignment within the IT organization. In particular, in less than one in ten companies are IT Initiatives planned and funded holistically across all of the IT disciplines.

Troubleshooting

The survey respondents were presented with a couple of statements relative to troubleshooting operational issues. Those questions, and a summary of the responses, are contained in Table 4.

Table 4 - Troubleshooting

Statement	Total Survey Base	Professional Strategic	Professional - Operational
Troubleshooting a network operational issue occurs cooperatively across all network disciplines	17%	21%	12%
Troubleshooting an IT operational issue occurs cooperatively across all IT disciplines	12%	16%	7%

In most companies, the responsibility for day-to-day troubleshooting belongs with employees who have a title of “professional - operational”. Employees with a title of “professional - strategic” only get involved in troubleshooting activities that cannot be resolved by standard processes and need to be escalated.

One of the conclusions that can be drawn from Table 4 is that once a troubleshooting issue has been escalated, the chance of it being worked cooperatively across multiple disciplines increases somewhat. However, cooperative troubleshooting of an operational issue is still very much the exception. In particular, approximately one company in fourteen performs regular troubleshooting cooperatively across all IT disciplines.

Outsourcing

The survey respondents were also asked to indicate which functions, both IT and business related, their company was already outsourcing. “Professional - operational” employees are often not in a position to know what business functions a company is outsourcing. As a result, the data in Table 5 corresponds to the responses of survey respondents whose titles indicated some form of management, or “professional - strategic”.

Table 5 - Outsourcing

Function	Companies Outsourcing
Help Desks	25%
Application Development	20%
Human Resources - such as payroll services or retirement benefits	18%
Back office processes - such as credit card processing	18%
Call centers	18%
Manufacturing	12%
Customer support services - such as telesales	7%
Financial services - such as accounts payable or accounts receivable	5%

It is interesting to note that either in spite of the importance of applications, or perhaps just because of the importance of applications, that one company in five currently outsources at least some application development. Approximately the same ratio of companies currently outsources other traditional IT functions such as help desk and call centers. In addition, roughly the same ratio of companies currently outsources traditional business functions such as Human Resources and back office processes. This level of outsourcing will increase the demands on the IT function, particularly if the outsourced services are being provided offshore. The reason for that is that when a company outsources a key business or IT function, they typically still need to provide access to the people and/or the applications that support that function.

Conclusions

The last two IT Impact Briefs demonstrated that application support is critical and getting harder due to increased outsourcing. However, there has been little if any progress to align the IT organization to provide this support. In particular, only a tiny minority of companies holistically plans and fund IT. Only a slightly larger minority of companies regularly troubleshoots problems cooperatively across all IT disciplines.

The survey results that were used as the basis for this IT Impact Brief will also be the basis for the next IT Impact Brief. That IT Impact Brief will focus on identifying the types of initiatives that are impacting IT priorities, budgets and infrastructures.



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