The Toughest Integration Challenge
Exploring the Ongoing Struggle to Integrate IT with the Business

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When you work in technology, integration is nothing out of the ordinary. We integrate hardware, we integrate software. We integrate sophisticated enterprise systems, we integrate e-business tools. Integration is a constant, which makes it ironic that integration is also one of the biggest challenges facing IT organizations today.

Rather than the integration of technologies, it is the integration of the IT department with the business organization that challenges so many companies. Despite the efforts of IT and business leaders alike, it remains hard for many IT departments to work in partnership with the business in the same way that other departments, like accounting and marketing, do.

The unfortunate result of the IT-business gap is a less effective business operation. Information technology defines the way the global marketplace works. Companies big and small operate across time zones with teams spanning states and countries. Business partners may be down the street or across the world. Customers are beginning to shop online as much as they do in stores. A robust IT operation that is shrewdly in synch with business goals is critical to success in a business world that depends so heavily on digital interconnectivity.

So why, despite its central role in business operations, does IT often remain on the fringes of business organizations today? After traveling the country in recent months to host and speak at CIO events and forums, I have gathered numerous executive insights on why there remains distance between IT and the business. I have learned how many IT leaders and top businesses are working to improve their IT-business integration. In addition to exploring the reasons for the IT-business gap, this article will share the successful approaches taken by leaders who have effectively integrated IT with the business.

Where Are We Today?

IT-business integration has been a priority of increasing concern for CIOs and senior IT leaders in recent years. The 2006/2007 Harvey Nash CIO Survey found that aligning IT with the business organization is ranked among the highest priorities for most IT leaders today. According to the survey, 53% of respondents rank "alignment with business" as a task of highest priority, compared to only 38% the year prior.

The survey also found that a majority of IT leaders feel they have succeeded in their integration efforts. Of survey respondents, 57% said they feel that IT is "well enough" integrated with the business. However, that leaves a solid 43% of IT leaders who feel the integration process has a significant way to go. The need for further improvement on the integration front is reflected in the survey's findings regarding the skills of IT teams. The vast majority of IT leaders (94%) said that building and maintaining relationships with the business organization is an important

skill for their IT teams to master. The fact that only 30% of respondents then said that their own IT teams are excellent at this important business skill underscores the ongoing need for better IT-business integration.

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*– John von Stein, EVP and CIO,
The Options Clearing Corp*

Why the Struggle to Integrate?

Regardless of the leadership focus on IT-business integration, progress is slow on this front because IT has long separated itself from the business. The idea that technology was too complex for the average business professional to understand gave IT teams an early excuse to separate from the business organization. For many years IT leaders ran minor fiefdoms; they were not carefully monitored or measured by the business organization. The business side of organizations also accommodated the separated structure, unsure of how to gauge the productivity or success of a service they did not fully understand.

As IT quickly revealed itself to be a key competitive advantage with the naissance of Internet, e-commerce and global networking, business organizations became determined to bring IT closer to the business. At the same time, IT leaders have realized that in order to truly impact the course and pace of business success, their teams must be a core function of the business operation. No longer could there be the IT organization and the rest of the business organization. Today, IT must be a driving business force that knows and understands all company challenges and goals. IT must be closely partnered with all departments in order to increase efficiency and intelligence companywide through the strategic implementation of processes and technology tools. As John von Stein, EVP and CIO of The Options Clearing Corp based in Chicago, Illinois, explains, it's not that technology is now a part of the business; it's that "technology is the core of our business."

According to von Stein, a business leader who has seen strong success in the integration of IT with the business, technology's role across all business operations and functions is so pervasive that an out-of-alignment IT organization is a business limitation. "It's like your car when the wheels are out of alignment. There's a tendency for you to drift off course. You spend all of your time fighting to get it going in the right direction. Fighting anything is an unproductive use of time."

Harvey Nash Global CIO, Alastair Behenna, goes as far as saying that even the idea of simple integration is in fact "apologist behavior from IT and inordinately short sighted." According to Behenna, now is the time for a paradigm to shift: "We have reached the perfect opportunity to move away from the idea that 'IT must align with the business' and toward a fully joined up, frictionless business model that simply says 'IT is just part of the business.' IT and the business must not simply align. They must join together in a common, bottom-line driven purpose with a single set of business objectives."

The Human Hurdle

Most business leaders agree that IT and the business must operate as one, but the pull to remain separate is still strong among technology staff members. Many IT specialists lack the critical skills needed to communicate and collaborate in a business environment. For many years, IT operations were famous for eccentric personalities — talented technicians who knew technologies but not necessarily how to share ideas in business meetings or coordinate with their business counterparts. Now that business and IT must work symbiotically and effectively, the tolerance for renegades without business skills has disappeared.

Businesses today need IT leaders and IT teams with first-rate business proficiencies, including project management, communications, negotiation, writing and collaboration skills. Building strongly skilled IT teams in terms of both technical skills and business skills has become the critical hurdle in IT-business integration. As the following two methods for reducing the IT-business gap reveal, many businesses and their IT leaders are approaching the integration challenge with originality and ingenuity.

Intensive Training Approach:
The Options Clearing Corp

The Options Clearing Corp is the world's largest equity derivatives clearing organization. At the Society for Information Management's May 2007 CIO Forum sponsored by Harvey Nash and KPMG, John von Stein, the company's EVP and CIO, explained how his IT management team created a comprehensive, 10-course, business training curriculum that all IT staff members are encouraged to complete. The curriculum provides a comprehensive education on what the business does, its history, accomplishments, operations and future goals.

The program proved so successful in educating IT talent that other business groups started seeing the value of a broad-based business education. Now it is a companywide training program. "It's funny, we designed the program to teach our technology team about the business and now it's teaching the whole organization," said von Stein. "The lesson for us in management was that it is not only the IT department that needs to learn more about the business. All our departments, from HR to accounting, can benefit from more business knowledge."

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United by Revenue:
Metropolitan Pier and Exposition Authority

Operating conventions and expositions across the Chicago region, the Metropolitan Pier and Exposition Authority (MPEA) is an organization that depends on an extensive range of technologies and systems to deliver world-class events. "Today technology tools play a key role in revenue generation for MPEA and our clients," explains MPEA CIO, Ellen Barry. "That means our technology teams need to perform and collaborate like business strategists who have influence that reaches across the entire business organization."

For instance, the MPEA IT team recently in-sourced the delivery of technical services to its shows, conventions and meetings — a move that is generating significant new revenue for the organization.

"You cannot generate revenue in a vacuum. When new revenue streams are created, the business evolves, which is exactly why it is so important for IT and the business to merge into one," says Barry. "We are helping IT and business groups eliminate barriers by working hand-in-hand with the service delivery teams at the McCormick Place convention center complex and Chicago's world-famous entertainment destination, Navy Pier. The coordinated efforts between our electricians, telecom staff and our Internet engineers has improved service to our customers while adding revenue to our bottom line."

The Integration Continues

Because so many IT and business organizations lived separate work lives for so long, integration will take time and set backs will occur. Every IT leader I speak with agrees that training and education (among all business departments) is one of the most effective ways to improve working relations among business teams.

As Harvey Nash USA's own CEO, Bob Miano explains, it's easy to forget how much people want to learn: "I believe that we as business leaders also forgot for a while to teach IT teams about the business, our mission, our strategies and vision. Talented professionals want to learn and contribute no matter what role or department they are in," he says. "By ensuring IT teams are well integrated in the business, an organization increases knowledge, invests in innovation and strengthens competitive advantage."

To learn more about Harvey Nash, call 800.286.9574 or visit www.harveynashusa.com.