Developments in Practice XXXV: Building a Strong Relationship with the Business

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A strong business-IT relationship is critical for an organization’s effective use of IT. This relationship is affected by many factors, such as the sub-function of IT involved, the business unit involved, the management levels involved, changing expectations, and general perceptions of IT. Research suggests that little is known about what contributes to a strong relationship between IT and business, nor even about how to characterize a relationship of this complexity. To explore business-IT relations and better understand how to assess their quality, what might be done to improve them, and the factors that are critical to a successful relationship, the authors convened a focus group of senior IT managers from a variety of industries. In preparation for this day-long session, we asked all participants to prepare a presentation addressing a number of questions about the business-IT relationship in their organizations. This paper presents the results of this discussion, combining our findings with those of other researchers. It first looks at the nature of the business-IT relationship and how an effective relationship could be characterized. Then, it examines each of the four foundational elements of a strong, positive relationship in turn, making suggestions for how IT managers could strengthen them.

**Keywords:** business-IT relations, IT functions, relationship quality
I. BUILDING A STRONG RELATIONSHIP WITH THE BUSINESS

There is no doubt that a strong business-IT relationship is now critical to the success of an organization's successful and effective use of IT [Basselier and Benbasat, 2004; Kitzik and Gomolski, 2006]. With the rapid evolution of IT in business, simply “keeping the lights on” and delivering systems on time and on budget is not enough. Today, IT’s ability to deliver value is closely linked with the nature of its relationship with a large number of business stakeholders. Recognizing this, many IT functions have tried to become “partners” with business at the most senior strategic levels, but with limited success [McKeen and Smith, 1996; Gordon and Gordon, 2002]. It has become clear from these initiatives that business-IT interactions are more complex and highly resistant to change than first assumed and that building a strong relationship with business is a major challenge for most IT leaders.

We know that the nature and the quality of the business-IT relationship is affected by many factors such as the sub-function of IT involved (e.g., operations, application, development), the business unit involved, the management levels involved, changing expectations, and general perceptions of IT [McKeen and Smith, 2008]. However, research suggests that IT managers are still somewhat naïve about how relationships work in business and that interpersonal interaction and clear communication are often missing between the groups. We have also learned that perceptions of the value IT delivers are correlated with how well IT is perceived to understand and identify with the business [Tallon, Kraemer, and Gurbaxani, 2000; Anonymous, 2002; Gold, 2006].

Nevertheless, we still know very little about the elements that contribute to a strong relationship between IT and business, nor even about how to characterize such a relationship [Day, 2007]. Therefore, in order to explore business-IT relations and better understand how to assess their quality, what might be done to improve them, and the factors that are critical to a successful relationship, the authors convened a focus group of fifteen senior IT managers from a variety of industries. In preparation for this day-long session, we asked all participants to prepare a presentation addressing a number of questions about the business-IT relationship in their organizations. These included what a “strong relationship” looks like, how they would characterize the relationship in their firm, formal and informal factors that help to improve it, and any further aspects of this relationship they considered to be noteworthy. Participants were also invited to discuss these questions with business leaders in their organization in order to get another perspective on their relationship.

This paper presents the results of this discussion, combining our findings with those of other researchers. It first looks at the nature of the business-IT relationship and how an effective relationship could be characterized. Then, it examines each of the four foundational elements of a strong, positive relationship in turn, making suggestions for how IT managers could strengthen them.

II. THE NATURE OF THE BUSINESS-IT RELATIONSHIP

“The IT-business relationship is a set of beliefs that one party holds about the other and how these beliefs are formed from the interactions of … individuals as they engage in tasks associated with an IT service” [Day, 2007]. The business-IT relationship in organizations tends to range across the full range of relationship possibilities. Some members of the focus group felt they had generally healthy and positive relationships, while others labeled them negative or ineffective. Overall, “there’s still a general perception that IT is slow, expensive and gets in the way,” said one manager. Even the focus group member with the most positive business-IT relationship admitted it was “not easy” and one set of researchers has described it as typically “arduous” [Pawloski and Robey, 2004].

While “you can’t have a one-sided relationship,” as one focus group manager remarked, there is, nevertheless, almost universal agreement that it is IT that needs to change in order to improve it. Literally dozens of articles have been written about what IT should be doing to make it better. For example, IT should: better understand the fundamentals of business and aim to satisfy the “right” customers [Kitzis and Gomolski, 2006]; act as a knowledge broker [Pawloski and Robey, 2004]; get involved in the business and be skilled marketers [Anonymous, 2008]; manage expectations [Ross, 2006]; convince the business that it understands its goals and concerns, and communicate in business language [Basselier and Benbasat, 2004], and demonstrate its competencies [Day, 2007]. In short, “IT has to keep proving itself” to the business to demonstrate its value [Kaarst-Brown, 2005]. Thus, both practitioners and researchers stress that cultivating a strong business-IT relationship is: “a continuous effort” (a focus group member); “ongoing” [Luftman and Brier, 1999], a “core IT skill” [Feeny and Willcocks, 1998]; and is “emergent” [Day, 2007].
On the business side of the relationship, two features stand out. First, business managers are often disengaged from IT work, according to both the focus group and researchers [Ross and Weill, 2002]. For example, in some cases in the focus group, IT staff have taken on business roles in projects in order to get them done. Second, it is clear that what business wants from this relationship is continually changing. “The IT-business relationship is cyclical,” explained one manager. “The business goes back and forth about whether it wants IT to be an order taker or an innovator. Every time the business changes what it wants, the relationship goes sour.”

So what do we really know about the business-IT relationship in organizations? First, we know it is a multifaceted interaction of people and processes. It is unfortunately true that just because there are positive relationships between individual business and IT professionals, does not mean that interactions will be positive on a particular development project, with the IT Help Desk, with an individual business unit or between IT and the business as a whole [McKeen and Smith, 2008]. Because relationships manifest themselves in so many ways—formal and informal, tacit and explicit, procedural and cultural—we must recognize that their complexity means that they don’t lend themselves to simplistic solutions [Guillemette, Paré, and Smith, 2008; Day, 2007; Ross, 2006].

Second, we know that, in difficult, complex relationships, there is often lack of clarity around expectations and accountabilities and difficulty communicating [Pawlowski and Robey, 2004; Galford and Drapeau, 2003]. This in turn, leads to lack of trust. In the business-IT relationship, “complexity often arises when expectations differ in various parts of an organization, leaving a CIO with the difficult task of reconciling them and elucidating exactly what the IT function’s mission and strategic role should be…” [Guillemette, Paré, and Smith, 2008]. Several focus group members complained that different parts of their business expected different things from IT. “In some parts of our business, they want IT to be an order-taker; in others, they want us to be thought leaders and innovators,” stated one manager. Another noted, “we live in an age of unmet expectations. There’s never enough resources to do everything the business wants us to do.”

Third, assumptions by the business about IT tend to cluster into patterns. One researcher has identified five sets of assumptions: IT is a necessary evil; IT is a support, not a partner; IT rules; business can do IT better; and business and IT are equal partners. Business leaders who espouse one of these sets will tend to have similar ideas about who should control IT’s direction, how central IT is to business strategy, the value of IT skills and knowledge, how to justify IT investments; and who benefits from IT [Kaarst-Brown, 2005]. Building on this idea, another study has also shown that business-IT relationships tend to vary along similar patterns. Different organizations tend to adopt one of five IT value profiles and expect IT to behave in accordance with the profile selected (see Appendix A). Problems arise when the assumptions and value profiles espoused by IT conflict with those of the organization or a specific part of the organization. As a result, many “disconnects” are often present in the relationship. For example, while IT organizations often seek to be a business partner, their participation in this way is not always welcomed by the business [Pawlowski and Robey, 2004].

Focus group members defined a strong business-IT relationship in ways that recognize each of these factors. To them, it should include:

- Clearly defined expectations, governance models and accountabilities
- Trust between the two groups.
- Articulation and incorporation of corporate and client values and priorities in all IT work.
- A blurred line between business and IT (i.e., no “us vs. them”).
- IT is dedicated to business success.
- IT is a trusted advisor to the business.
- Mutual recognition of IT value.

In short, a strong business-IT relationship is one where realistic, mutual expectations are clearly articulated and communicated through individual and procedural interactions and where both groups recognize that all facets of this relationship are important to the successful delivery of IT value.
III. THE FOUNDATION OF A STRONG BUSINESS-IT RELATIONSHIP

Strong relationships do not simply happen. They are built over time, and, if they are to deliver value for the organization, they must be built to endure [Day, 2007]. The focus group told several stories of how the business-IT relationship in their organization had deteriorated when a business or IT leader changed or when a project wasn’t delivered on time. Because it can so easily become dysfunctional, there is a need for constant attention and nurturing at all levels, said the focus group. However, building a strong relationship is not easy to do. While there is no shortage of prescriptions, the sustained nature of problems in this relationship suggests that there are some underlying root causes that need to be addressed (Appendix B provides one organization’s view of what is needed in this relationship).

We have suggested previously that there are four components which must be in place in order to deliver real business value with IT: competence, credibility, interpersonal interaction, and trust. The focus group reviewed these components and agreed that they also form the foundation of a successful and effective business-IT relationship. The focus group saw that developing, sustaining and growing a strong business-IT relationship in each of these areas is closely intertwined with IT’s ability to deliver value with technology. Therefore, a consistent and structured initiative to strengthen the business-IT relationship in these dimensions will also lead to an improved ability to deliver value successfully (see Figure 1). In the remainder of this paper, we look at these four components in turn, discussing in detail how each acts as an important building block of a strong business-IT relationship and suggesting how each could be strengthened.

Building Block #1: Competence

While a competent IT organization that consistently delivers cost-efficient and reliable services is the bare minimum for an IT function, businesses today expect a great deal more of both their IT organizations and their IT professionals. Although many IT organizations have adopted an internal service model in order to “operate IT like a business” and have demonstrated that they can provide services as effectively as external service providers, these competencies fall short of what business now expects of IT [Kitzis and Gomolski, 2006]. Over the last decade, researchers and practitioners have identified a number of new competencies that are now required—to a greater or lesser extent—from all IT professionals.

First and foremost, IT staff need business knowledge. This goes beyond basic knowledge of a single business unit to include the “big picture” of the whole organization. IT personnel need to understand the business context in which their technologies are deployed, including organizational goals and objectives, capabilities, critical success factors, environment, and constraints. At all levels, they need to be able to “think about and understand the development of the business as [any other business] member would and participate in making [it] successful in the same way.” Furthermore, they need to be able to apply their business understanding to help the organization visualize the ways in which “IT can contribute to organizational performance and look for synergies between IT and business activities” [Basselier and Benbasat, 2004]. In this regard, an important competence an IT department and its staff can bring an organization is cross-domain and cross functional business knowledge [Wailgum, 2008; Kitzis and Gomolski, 2006].
Developing business knowledge does not mean that IT staff should become business people, but that they should be able to demonstrate they understand the business’ goals, concerns, language, and processes and are working to help achieve them [Feeny and Willcocks, 1998]. One focus group organization surveyed its senior managers about IT and found that these managers felt IT staff had a poor understanding of the business and as a result, they didn’t trust IT’s ideas.

Other key competencies which IT must cultivate include:

- **Expertise.** This includes having up-to-date knowledge, being able to support a technical recommendation, applying expertise to a particular business situation, and offering wise advice on risks, options and trade-offs, as well as the ability to bring useful new ideas and external information (e.g., about new technologies or what the competition is doing with technology), to the business [Pawlowski and Robey, 2004; Joni, 2004].

- **Financial Awareness.** Awareness of how IT delivers value and the ability to act in accordance with this value is a rare and prized skill [Mahoney and Gerrard, 2007]. All the focus group members felt pressure to continually demonstrate the business value of IT and recognized a strong need to make all IT staff more aware of such concepts as ROI, total cost of ownership and how IT affects the bottom line and/or business strategy.

- **Execution.** It is not enough to understand the business and to develop a vision; IT must also operationalize it. Since much of the business-IT relationship is dynamic, i.e., continually being re-created, every IT action speaks about its competence. It is well-known that the inability to deliver an individual project on time and budget will undermine the business’ view of IT’s overall competence. However, it is also the case that the actions of IT Operations, the Help Desk, and other IT sub-functions will also be held up to similar scrutiny. As one focus group manager stated, “poor delivery of any type can break a relationship.”

In short, if the IT function is not seen to be competent at executing basic IT services or able to communicate in business terms, it will simply not be given an opportunity to participate in higher order business activities, such as planning and strategy development [Gerrard, 2006].

**Strengthening Competence**

- **Find ways to develop business knowledge in all IT staff.** Focus group members use “lunch and learn” sessions, job shadowing, and short-term assignments in the business to accomplish this, but they recognize that more needs to be done to develop this competence.

- **Link IT’s success criteria to business metrics.** This not only lifts IT’s perspective to larger business concerns, it also introduces all IT staff to the key financial and other measures that drive the rest of the organization.

- **Make business value an explicit criteria in all IT decisions.** Asking why the business should care about a particular IT decision and how it will affect the business in both the long- and short-term changes the focus of IT professionals in a subtle, but very effective way, enabling them to communicate even technical decisions in business terms.

- **Ensure effective execution in all IT activities.** This makes sure that IT sends a consistent message of competence to all parts and levels of the organization.

**Building Block #2: Credibility**

Credibility is the belief that others can be counted on to do what they say they will do. It is built in many ways. Keeping agreements and acting with integrity, honesty and openness are essential, while lack of timely and substantive responses and failure to observe deadlines can undermine it [Greenberg et al., 2007; Feeny, Edwards, and Simpson, 1992]. Focus group managers concurred that credibility is very important to the business-IT relationship. While in earlier days, credibility was largely about the ability to deliver systems on time and budget, now earning and keeping credibility with the business has become more complex. Today’s IT projects often involve many more elements (e.g., multiple platforms, risk management, adherence to laws and standards) and stakeholders than in the past and the methods and tools of delivery are constantly changing. Furthermore, new research shows that it is often the “little things” that can be most significant in undermining credibility and that people often make decisions based on IT’s attention or inattention to such details [Buchannan, 2005]. One study concluded that “each and every IT service incident and event must be considered for its long-term influence” [Day, 2007].
IT staff often assume that because they are competent, they will be credible, but this is an invalid assumption. Thus, for example, a recent survey of CIOs found that they wished their developers “didn’t appear so clueless to the rest of the organization” [Wailgum, 2008A]. It is essential, therefore, that competence be demonstrated for others to feel someone is credible [Ross, 2006]. This is especially important in relationships where there is little face-to-face interaction. In these cases in particular, work must be visible and communication constant in order to demonstrate credibility [Hurley, 2006].

**Strengthening Credibility**

- **Communicate frequently and explicitly.** Make progress and accomplishments visible in clear and non-technical ways. Focus group members found that when difficult decisions are planned together and clearly articulated in advance, there is much less tension in the relationship.

- **Pay attention to the “little things.”** Wherever possible, take steps to provide prompt feedback and responses to queries and to ensure consistent high quality service encounters.

- **Utilize external cues to credibility** such as, awards, endorsements from third parties, as well as the experience and background of IT staff. These can be very useful when starting a new relationship with the business.

- **Assess all business touch points.** All focus group members stressed the need to really listen to what the business says about its expectations and the problems it feels exist in the relationship. Just the effort alone sends a strong and positive message about the importance of this relationship, said a manager. However, he also stressed that undertaking such a review creates expectations that changes will be made, so regular reports back to the business about what is being done to improve things are especially important.

**Building Block #3: Interpersonal Interaction**

The business-IT relationship is shaped by the development of mutual understanding, interests and expectations, which are formed and shaped during a wide variety of interpersonal interactions [Gold, 2006]. Business-IT interactions must be developed and nurtured at many different levels in the business-IT relationship, said focus group managers, and while CEO-CIO interactions can set the tone for the relationship, the connections at multiple touch points contribute to its overall quality [Flint, 2004; Prewitt, 2005]. There are four significant dimensions of interpersonal interaction:

- **Professionalism.** This is the unarticulated set of working behaviors, attitudes and expectations that serves as the glue which keeps teams of diverse individuals working together toward the same goal. These behaviors are not only carefully watched by the business, they are also just as important within IT, said the focus group. Members noted that difficult internal IT relationships can lead to problems delivering effective IT services. There are five sets of attitudes and behaviors which contribute to developing IT professionalism: comportment (i.e., appearance and manners on the job); preparation (i.e., displaying competence and good organization); communication skill (i.e., both clarity and etiquette); judgment (i.e., the ability to make right choices for the organization); and attitude (i.e., caring about doing a job well and about doing the right thing for the company) [McKeen and Smith, 2008].

- **Non-Technical Communication.** Over and over, research has found that the inability to communicate clearly with the business in its own terms can undermine the business-IT relationship [Kitzis and Gomolski, 2006; Basselier and Benbasat, 2004]. Today, because IT staff work across many organizational boundaries, they must also be effective at translating and interpreting needs, not only from business to technology and vice versa, but also between business units, to enable members of different communities to understand each other [Wailgum, 2008]. Increasingly, as IT programs and services are delivered collaboratively by external partners and to external partners, clarity in communication is becoming mission critical.

- **Social Skills.** The social dimension of the business-IT relationship is often ignored by both sides, leading to misunderstandings and lack of trust [Day, 2007]. Social bonds help diverse groups build trust and develop a common language, both of which are essential to a strong relationship. Socialization also helps build mutual understanding, enabling all parties to get comfortable with each other and uncovering hidden assumptions, which may become obstacles to success [Kaarst-Brown, 2005]. It also develops empathy and facilitates problem solving [Feeny and Willcocks, 1998].

Unfortunately, many IT organizations are structured in ways that create barriers between business and IT. For example, the use of “relationship managers” to act as interfaces between IT and the business is a mixed blessing. While individually, these managers may be skilled and viewed positively by the business, the focus
Management of Politics and Conflict. The business-IT relationship can be turbulent and IT personnel are not noted for their skills in dealing with the conflicts and challenges involved. Furthermore, conflict and politics tend to be exacerbated by the types of projects most commonly undertaken by IT, i.e., those that cross internal and external organizational boundaries [Weiss and Hughes, 2005]. As a result, IT functions and personnel need ways to effectively address conflict and use it to deliver creative solutions. All too often, conflict is avoided or treated as a “hot potato” to be tossed up the management hierarchy [Weiss and Hughes, 2005]. Straight talk and the development of a healthy give-and-take attitude are fundamental to dealing with conflict at its source. Experts also recommend the development of transparent processes for managing disagreements and frank discussions of the trade-offs involved in dealing with problems [Pascale et al., 1997]. These not only help stop damaging escalation and growing uncertainty but also help to model conflict-resolution skills for the staff involved.

As well, failure to understand the role of politics in a particular organization makes IT personnel less effective in its business interactions because they cannot craft “win-win” solutions. Thus, all IT staff need to understand something about politics and how they can affect their work. At more senior levels, it is imperative that IT professionals learn how to act “wisely and shrewdly in a political environment” [Kitzis and Gomolski, 2006]. Since politics are part of every business relationship and cannot be avoided, IT personnel must learn how to work with them, said focus group members, even if they are trying to avoid them as much as possible.

Strengthening Interpersonal Interactions

• Expect professionalism. IT managers must not only articulate professional values and behaviors, they must live them and measure and reward them in their staff.

• Promote a wide variety of social interactions at all levels. Whether face-to-face or virtual, sharing information about each other’s background and interests is an important way to bolster working relationships at all levels. Therefore, even where formal relationship managers are in place, IT leaders should encourage all IT staff to connect informally with their business colleagues. “Social interaction facilitates quick problem ownership and resolution and helps to develop a common language,” said a focus group participant. While the need for socialization increases as one moves up the organizational hierarchy, even at the lowest levels staff should be expected to spend about 10% of their time in this type of interaction [Kitzis and Gomolski, 2006].

• Develop “soft skills” in IT staff. While the need for interpersonal skills in IT has never been greater, many companies still give the need to develop them short shrift, preferring instead to stress technical competencies. In developing these types of skills, formal training should be only one component. It is even more important that IT managers take time to develop them in their staff through mentoring and coaching. Many focus group members have implemented “soft” skills development initiatives informally, but they admitted that the pressure to be instantly productive often detracts from both business and IT participation in them.

Building Block #4: Trust

Effective interpersonal interactions, a belief that the job at hand will get done and done right, and demonstrated business and technical competence are all required to facilitate trust that IT can be a successful partner with the business. But even if these are in place, proactive measures are still needed to actually build trust between the two groups. In many firms, there is still an underlying sense of distrust of IT as a whole:

“IT’s processes are notoriously convoluted and bureaucratic, leaving the business unsure of how to accomplish their business strategies with IT. From strategy alignment to prioritization to budgeting and resourcing to delivering value to managing costs, it must be clear that what IT is doing is for the benefit of the enterprise, not itself” [McKeen and Smith, 2008].
The most important way to build trust at this level is through effective governance. The story of how one CIO managed to transform the business-IT relationship at Farm Credit Canada illustrates its importance:

[At FCC, when Paul MacDonald became CIO], IT was considered a necessary evil. Business people were afraid of it and wished it would just go away…. [Transforming this relationship] was a very difficult and complex job—especially for cross-functional processes. Clear responsibilities and accountabilities had to be defined…. “It’s all about clarity of roles and responsibilities,” MacDonald said. The new IT governance model was validated and refined through sessions with key business stakeholders. “These sessions were important to demonstrate that we weren’t just shuffling the boxes around in IT,” [MacDonald] said…. MacDonald also made sure that the new model actually worked the way it was supposed to. “There were cases where it didn’t … and with these, we made changes in our processes.” He attributes his willingness to make changes where needed to his ability to make the new model actually function the way it was supposed to….

Today, at FCC user satisfaction is very high and IT is seen as being indispensable…. [MacDonald] stressed that it is important to review and refine the new governance model continually. “There were some things that just didn’t work,” he said. “We are still constantly learning…” [Smith and McKeen, 2008].

Effective governance should be designed to build common business goals and establish a good decision-making process [Gerrard, 2006]. Mature processes in IT and transparency about costs develop trust [Levinson and Pastore, 2005; Overby, 2005]. A focus group manager stated succinctly, “more transparency equals fewer surprises and you get transparency through governance.” Aspects of governance that have enhanced trust in focus group organizations include integrated planning, defined accountabilities, a clear picture of mandates and authorities, and clarity around how work gets done.

Another focus group manager explained the importance of governance in this way:

“In the past, we couldn’t break the trust barrier. Now, [with an effective governance structure] we are more proactive and are fighting fewer fires. Our processes ensure proper escalation and a new focus on value. In short, governance captures the value of a good relationship and good fences make good neighbours.”

Trust is essential for both superior performance and for developing the collaborative relationships that lead to success [Greenberg, Greenberg, and Antonucci, 2007]. It is developed through consistency, clear communication, willingness to tackle challenges, and owning up to and learning from mistakes [Upton and Staats, 2008]. Both inconsistent messages to stakeholders and inconsistent processes and standards can seriously undermine trust [Galford and Drapeau, 2003].

Nevertheless, it must be stressed that there is no optimal form of governance [Gordon and Gordon, 2002]. The key is to develop a model of IT governance that addresses the business’ expectations of its IT function. Thus, an IT organization can best build trust if it clearly understands the organization’s priorities for IT and designs its governance model to match [Guillemette, Paré, and Smith, 2008].

Strengthening Trust

- **Design governance for clarity and transparency.** IT leaders should assess how the business views IT processes—from the Help Desk on up. It important to recognize that all processes play a very visible role in how IT is viewed in the organization and that clear, effective, and fair processes are needed to break the “trust barrier” between business and IT at all levels.

- **Mandate the relationship.** While it may seem counter-intuitive, companies have had success from strictly enforcing relationship basics such as formal roles and responsibilities, joint scorecards, and the use of common metrics. Such structural measures can ensure that common expectations, language, and goals are developed and met.

- **Design IT for business expectations.** Clearly understanding the primary value the business wants IT to deliver can help IT understand how to focus its process and governance models (see Appendix A).

IV. CONCLUSION

There is clearly no panacea for a strong business-IT relationship. Yet, the co-relation between a good relationship and the ability to deliver value with IT makes it imperative that leaders do all they can to develop effective interpersonal and inter-functional business-IT relations. It is unfortunately still incumbent on IT leadership to take on the bulk of this task, if only because it will make their IT organizations more effective. Business-IT relationships are
complex, with interactions of many types, at many levels and between both individuals and across functional and organizational entities. This paper has tried to identify and explore not only what a strong business-IT relationship should look like in its many dimensions but also to describe the four major components needed to build it: competence; credibility; interpersonal skills; and trust. Unfortunately, business-IT relationships still leave a lot to be desired in most organizations. Recognizing that what it takes to build a strong business-IT partnership is so closely related to what is needed to deliver IT value may help to focus more attention on these mission-critical activities.

REFERENCES
Each of the following profiles is a unique way for IT to contribute to an organization. One is not “better” than the other, nor is one profile more or less mature than any other. Each represents a different, consistent way of organizing IT to deliver value. Each is different in five ways: main activities; dominant skills and knowledge; the business-IT relationship; governance and decision-making; and accountabilities.

**Profile A: Project Coordinator.** This type of IT function coordinates IT activities between the business and outsourcers. Therefore, the primary value it delivers is organizational flexibility through the IT outsourcing strategy it establishes and through promoting informed IT decision-making in the business units. The Project Coordinator function works with the business units, helping them formalize their requirements, and then finds an outsourcer to develop and implement what is needed. It also manages the relationships between vendors and business units, not only with the organization’s current activities, but also planning for the future by developing strategic partnerships.

**Profile B: Systems Provider.** The primary mission of the Systems Provider is to provide the organization with quality information systems at the lowest possible cost. Strategically, the Systems Provider uses the organization’s business plans to set IT’s goals, prepare budgets, and determine the resources needed to implement the organization’s strategy for the required systems development projects.

**Profile C: Architecture Builder.** The primary mission of this type of IT function is to link the firm’s various business units by integrating computerized systems, data and technological platforms. The Architecture Builder seeks to design a flexible architecture and infrastructure that will meet the company’s needs. The architecture builder typically receives broad strategic direction from the organization and designs an architecture and infrastructure with which the organization can implement its strategy.

**Profile D: Partner.** The main objective of the Partner IT function is to create IT-enabled business capabilities to support current business strategies. IT and the business collaborate to achieve a two-way strategic alignment that is developed iteratively and reciprocally over time. The Partner is a catalyst for change in business processes and seeks to improve organizational efficiency. As guardian of the organization’s business processes, the Partner’s mission, therefore, extends far beyond its technological tools.

**Profile E: Technological Leader.** The Technological Leader tries above all to use innovation to transform the organization’s strategy. IT’s main objective is, therefore, to identify opportunities, find innovative organizational applications for technology that will enable the organization to secure a significant competitive advantage, and then implement such applications.
APPENDIX B
ONE FIRM’S APPROACH TO BUILDING A STRONG IT-BUSINESS RELATIONSHIP

The following is an excerpt from a memo on improving the business-IT relationship shared by one of the focus group members.

Now more than ever, we must truly understand the business transformation agenda. This will require us to potentially interact differently than in the past or in a mode beyond what our executives may be looking for. We must:

- Stop acting as and being viewed as order takers once IT projects have been identified.
- Develop an understanding of business improvement ideas before they become initiatives or projects.
- Be prepared to offer alternative perspectives on business solutions.
- Be part of the strategic equation and have “feet on the street.”
- Engage early before ideas and issues turn into projects.
- Continue to shape the solution during pre-concept and concept phases.

To develop a relationship with the business units where we are viewed as a trusted advisor and adding value, we need to truly be part of their decision-making process and team. We must ask ourselves:

Are we considered a member of the business’ senior leadership team?
Are we consulted before decisions are made or just asked to execute what has already been decided?
Are we involved in shaping the content of the strategic agenda not just its schedule?

Creating a consistent forum for one-on-one strategic interaction should allow us to rise above the normal churn of issues, projects or other regularly scheduled meetings and be positioned to truly start understanding where our help is needed.

Potential Short-Term Next Steps include:

- Get invited to each business unit’s leadership team meetings.
- Schedule a monthly 1–1 strategy meeting with no set agenda.
ABOUT THE AUTHORS

James D. McKeen is a professor of IT Strategy and Distinguished Research Fellow in MIS at the School of Business, Queen's University at Kingston, Canada. Jim received his Ph.D. in Business Administration from the University of Minnesota. He has been working in the IT field for many years as a practitioner, researcher, and consultant and is a frequent speaker at business and academic conferences. Dr. McKeen co-facilitates the networking of senior executives in the IT sector through two well-known industry forums: the IT Management Forum and the CIO Brief. He also has extensive international experience, having taught at universities in the U.K., France, Germany, and the U.S. His research has been widely published in various journals including the MIS Quarterly, Knowledge Management Research and Practice, the Journal of Information Technology Management, the Communications of the Association of Information Systems, MIS Quarterly Executive, the Journal of Systems and Software, the International Journal of Management Reviews, Information and Management, Communications of the ACM, Computers and Education, OMEGA, Canadian Journal of Administrative Sciences, Journal of MIS, KM Review, Journal of Information Science and Technology and Database. Jim is a co-author of three books on IT management with Heather Smith, the most recent being IT Strategy in Action (Pearson Prentice Hall, 2008). He currently serves on a number of editorial boards.

Heather A. Smith (hsmith@business.queensu.ca) has been named North America's most published researcher on IT and knowledge management issues. A senior research associate with Queen's University School of Business at Kingston, Canada, she is the co-author of four books: IT Strategy in Action; Management Challenges in IS: Successful Strategies and Appropriate Action; Making IT Happen: Critical Issues in IT Management; and Information Technology and Organizational Transformation: Solving the Management Puzzle. A former senior IT manager, she is currently co-director of the IT Management Forum and the CIO Brief, which facilitate inter-organizational learning among senior IT executives. She is also a senior research associate with the Society for Information Management's Advanced Practices Council. In addition, she consults, presents, and collaborates with organizations worldwide, including British Petroleum, TD Bank, Canada Post, Ecole des Hautes Etudes Commerciales, the OPP, and Boston University. Her research is published in a variety of journals and books including MIT Sloan Management Review, Communications of the Association of Information Systems, Knowledge Management Research and Practice, Journal of Information Systems and Technology, Journal of Information Technology Management, Information and Management, Database, CIO Canada, and the CIO Governments Review. She is also a member of the editorial board of MISQ-E.

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