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# Tying Strategic Alignment and IT Value to Business Success Using Business Process Analysis And Redesign (BPAR)

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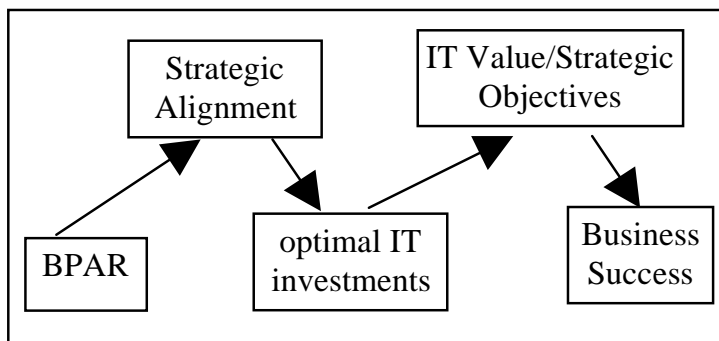
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Information technology (IT) investments are made for the purpose of obtaining value. This paper proposes that the alignment of IT investments with organizational strategic objectives (strategic alignment) leads to the attainment of value. Value results in enhanced business performance. Business process analysis and redesign (BPAR) is offered here as a tool by which strategic alignment can be achieved. The achievement of organizational objectives adds value to the firm which enhances business performance and leads to business success. Business success may be measured by increased productivity, improved business profitability, and created value for the consumer.

## Research Question

Is there an association between IT investments and business success? This main question has been broken down into four more specific questions: 1) What evidence is there to support the claim that BPAR is an effective tool for achieving strategic alignment? 2) What evidence is there to support the claim that strategic alignment may lead to “optimal” IT investment decisions? 3) What evidence is there to link IT investment decisions to IT value and the achievement of strategic objectives? 4) What evidence is there to support the claim that the attainment of IT value and the achievement of strategic objectives contribute to business success?

## Theoretical Model



## Important Literature

BPAR: Tinnila (1995), Ould (1995), Cook (1996), Davenport (1993); Strategic Alignment: Parker et al. (1988), Hamilton & Chervany (1981), Glazer (1993), Goodman (1994); IT Value: Pastore (1994), Framel (1993), Porter (1993), Taylor (1986); Productivity: Hitt & Brynjolfsson (1996), Courtney (1993), Briskin (1987).

## Methodologies

A survey of small, medium, and large firms will be conducted using questionnaires and telephone interviews. The objective is to obtain information pertaining to their

use of BPAR for strategic alignment, use of the strategic alignment concept to make IT investment decisions, their perception of IT value and the achievement of strategic objectives resulting from such IT investments, and whether they perceive the attainment of strategic objectives to contribute to firm performance.

## Potential Contribution

The value of this paper is that if an association can be found to exist between IT investments and firm performance, then IS managers and top level management can adjust their IT investment decisions in such a way as to increase the likelihood of achieving business success.

## Expected Limitations

IS research literature has not been able to show on a consistent basis that a positive relation exists between incremental IT investments and firm productivity. Although this paper proposes to show that an association does exist between these variables, it is reasonable to expect that it will come upon the same obstacles that other researchers have experienced in the past.