

BEING COMPETITIVE

GULRAJ S. SHAHPURI

Being competitive: Aligning an IT strategy with business strategy

For any business today, technological advances and their effective implementation have come to have tremendous bearing on its competitiveness. It is critical for an organization to examine how its information technology (IT) strategy correlates with its business strategies. Also, for an IT strategy to function within a particular organizational context, we must realize the constant interaction between people and technology.

To elaborate this further, consider the following points:

- (1) Modern businesses are increasingly investing in IT. To maximize their outcomes, organizations must consider the interdependence between their information systems (telecommunications, hardware, databases, and software) on one hand and their business strategy and procedures on the other hand.

One way to ensure that all IT-related investments and organization goals are integrated is by listing clear business objectives before any such investments are actually made. Analyzing each business objective, the role of IT can be identified and listed against each objective. In this way, IT investments are not only business-driven but they are also linked to specific business aims and objectives.

Many organizations are unable to maximize the potential inherent in IT partly due to the lack of alignment between business and IT strategies.

- (2) An organization must consider the organizational context in which IT is introduced. Failing to do so can create a great deal of resistance to change within the organization. This hinders any lasting acceptance of the attempted technology change.

If we do not view the social system upon which IT functions, it often increases the complexities and costs of computerization, as well as reduce the generalizability of applications in different settings or groups. This is the reason why some organizations seem to succeed with technology enhancements while others fail.

Bottom line is that productivity improvements occur not simply through the introduction of IT, but through the quality of management practices that accompany them. IT strategies must be aligned with business strategies and must keep in mind the social context in which they will operate.