



TEXT SUPPORT

Carolyn Weaver is the producer and host of Tech Books, in its third season on Tech TV, Book Television, Court TV, MSNBC Canada and Rogers Television.
carolyn@fineprintonline.com



In conversation with
Paul A. Williams

IT ALIGNMENT:
WHO IS IN CHARGE?

RATING: ★ ★ ★ ★ ★

IT ALIGNMENT: WHO IS IN CHARGE? is a thin booklet published by the IT Governance Institute, an organization established in 1998 to advance international thinking and standards in directing and controlling an enterprise's information technology. This ultra thin book is extremely well-written and makes a clear, straightforward case concisely. I suspect this was so that board members might have time to read through it quickly in one sitting.

I talked with Paul A. Williams, author, researcher and past international president for the institute about the importance of IT business alignment.

In a survey you conducted, 50 per cent of respondents said there was

no formal governance strategy designed to ensure IT and business alignment. Did this surprise you?

Not at all. Indeed a more recent global survey that we carried out in August/September indicated that more than 60 per cent of companies do not have a formal IT governance strategy or framework. The problem is not necessarily getting worse, it is just that more companies are realizing that they really do not have a formal approach to IT governance. This survey also reported that a further 25 per cent were actively considering working towards this goal although this still leaves almost 40 per cent of companies either ignorant or unconvinced of the need.

Why do you think that fewer than 25 per cent of entities surveyed said they engage board members directly in the IT strategy-setting process? Is it not time that IT strategy involved the board directly given that IT can have such a big impact on the bottom line?

Board directors have a very full agenda. Sadly, even though IT is central to most businesses

FAST

4

Favourite author
Wilbur Smith

Favourite Web site
therockalltimes.co.uk

A good book . . .
is one where more than five pages are read before it is put down or I fall asleep

Guilty pleasure
Lying on my favourite beach in Spain (Javea) on a weekday in June

success and survival it is still not well understood by the majority of directors. It is not in their comfort zone, hence it is often seen as easier to ignore and, dangerously, leave to the "experts" rather than show their ignorance.

However recent high profile business problems caused at least partly by IT issues is leading boards to reconsider their involvement but it's a slow culture change process.

Information technology has to be seen as a central component

in almost all business strategies therefore it is essential that board members lift the barrier of ignorance and get involved. This may require some education.

What are the top three adverse effects of not having IT/business alignment?

Wasted expenditure on IT through lack of focus on the real value drivers.

Insufficient investment in IT thus leading to inefficiency and lack of competitive advantage over time.

Erosion of business focused IT skills and resource thus leading to impotence in meeting the challenges of IT-enabled and IT-supported businesses.

All spell bad news through business stagnation, reduced profitability and declining shareholder value.

It is evident with companies such as Amazon or eBay that IT must provide essential input to what the strategy should be. It is less immediately clear that this is also the case with more traditional industries such as banking or insurance.

Why is it an important competitive advantage to see the connection in the traditional industries?

Even traditional industries need to compete in the technology age. Close business-IT alignment has led to even traditional financial services industries investing heavily in IT-enabled initiatives such as Internet banking and direct insurance marketing. IT enables new channels to be used for traditional services, provides the ability to reduce costs for the provision of traditional services, enhances existing customer services and therefore enables the business to gain competitive advantage through maximizing revenues and minimizing costs.

Other examples are the airlines that have very successfully cut out the travel agents (and their commissions) through Internet reservations systems etc.

Of course with some businesses (although it is hard to find examples) the link between IT and the boardroom may be less essential but these industries will be very much in the minority.



INSIDER

And you thought your phone was precious

SOME YEARS BACK IN THIS SPACE, WE RELAYED THE story of a New York commuter who had to be extricated from the plumbing of a train's loo after he'd dropped his mobile phone in and bravely attempted to recover it. I can't recall whether he was successful, and I certainly can't be bothered to look it up. But I think a straw poll of readers would concur: Under the circumstances, it's probably wiser to get a new phone. A representative of your carrier will probably sympathetically offer you a freebie, once the laughter has subsided and he or she can breathe normally.

However, if your phone is made by Peter Aloisson, you wouldn't reach in after your mobile, you'd dive in. Aloisson is an Austrian luxury accessory maker who turns out perhaps three phones a year for wealthy clients, reports *Ananova*. He sells them for something in the neighbourhood of \$40,000. I don't live in that neighbourhood.

However, a special order in production at the moment will apparently fetch more like \$1 million (all figures U.S., like that makes any difference).

It will feature solid gold parts and be encrusted with nearly 3,000 blue diamonds, because nothing succeeds like excess.

Presumably, when someone calls, Kylie Minogue will actually pop out and sing your ringtone personally.

CONTROL-ALT-SMASH

Also from the files of *Ananova* . . . Intel and Fender are apparently collaborating on an Internet guitar that will allow strummers to surf the Web and send e-mail. So, Green Day's Billie Joe Armstrong isn't smashing his guitar on stage — he's rebooting.

TECHNOLOGY YOU WISH YOU'D HAD . . .

A British firm has created self-destructing SMS messages that delete themselves 40 seconds after they've been read, reports *The Register*. It only works on WAP-enabled phones, though only the sender has to download the StealthText applet and pay for the service (about \$10 for 10 disappearing messages). In



the spring, Staellium UK hopes to introduce self-destructing voice mail, e-mail and picture messages. If only we'd had this years ago . . .

DEMOTIVATION

It's that time of year . . . Despair.com has released its all-new 2006 demotivational calendar, featuring inspirational photography bearing messages like, "The race for quality has no finish line, so technically, it's more like a death march." Order today . . .

PSST! Got an inside scoop? Email us at insider@itbusiness.ca