Measuring Business–IT Alignment in a Digitally Revolutionized Economy

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ABSTRACT

Although the concept of business-IT alignment was once considered one of the most important concerns of organizations, in terms of IT administration, the attention it has received has decreased significantly over the years. This paper postulates that strategic alignment initiatives still have the same relevance - in particular for non-IT companies – which means that digital transformation strategies should consider the strategic alignment as a critical issue for their success. Therefore, the persistent relevance of this concept and the need to measure it with updated instruments capable of assessing the degree of maturity reached and feeding back the results to the organizations remains a key topic in IT administration. Based on an updated instrument, adequate for a digital framework, our study surveyed a sample of mostly large Chilean companies. The results obtained reveal the importance to count with an improved model that captures the changes this new digital scenario imposes.

Keywords: Business-IT Alignment maturity level, Updated model, Digital transformation strategy framework.

INTRODUCTION

No company, no industry, no market can avoid the impact of the pervasive force of technology, changing the business models and processes, as they have traditionally been known and applied. The digital revolution has changed the rules of business. With the constant diffusion of digital technologies, each industry faces its own challenges and threats. New players enter the market, leveraged by cutting-edge technology that shakes up the solid and recognized companies. (Herbert, 2017; Peppard & Ward, 2016; Rogers, 2016; Venkatraman, 2017).

To be successful in the digital world, companies must think of technology not only as a support function, but also as a strategic and competitive weapon, so it is not just about applying technology to the business as a commodity, but rather creating new business models and operational models, leveraged by the innovative use of technology. When raising this point, it is assumed that the concept of business-IT alignment is still valid, for non-IT companies, in the process of becoming a digital entity. And while, for a long time, the IT units have been treated as subordinate to the commercial strategy, in light of the literature surveyed, we coincide with scholars and practitioners, emphasizing the importance of the alignment between business and IT, and the value that it brings to the organizations.