



CONFIDENTIAL No information that you submit will be identified with you or your company without written permission

Return To:

Jerry Luftman Ph.D.
Suite 15L
1530 Palisade Ave
Fort Lee, NJ 07024
jluftman@globaliim.com
www.globaliim.com

Please attach your business card here.

Name: _____

Company: _____

Title and function: _____

E-mail: _____

Company Background Information

1. Please provide your company name: _____
2. Date Incorporated: _____
3. Industry/Product/Services: _____
4. Key Customers: _____
5. Key Competitors: _____
6. Annual Revenue: _____
7. IT Annual Budget; percent of revenue: _____
8. Number of Employees; Number of IT Employees; ratio: _____
9. Company Organization: _____
10. CIO Reports to & Number of years in position: _____
11. IT Governance Archetype: _____

IT/BUSINESS ALIGNMENT

PART I: BACKGROUND INFORMATION

12. Please indicate the perspective from which your facilitator has asked you to respond:

- 1 ☐ the entire corporation
- 2 ☐ a business unit (e.g., marketing, finance, manufacturing, H/R) (Please specify: _____)

13. Does your CIO (highest IT Executive) report to:

- 1 ☐ CEO, President, Chairman
- 2 ☐ CFO
- 3 ☐ COO
- 4 ☐ Business Unit Executive
- 5 ☐ Other: Please specify: _____

14. How is IT organized in your company:

- 1 ☐ Centralized
- 2 ☐ Decentralized
- 3 ☐ Federated/Hybrid
- 5 ☐ Other: Please specify: _____

Parts II through VII of this questionnaire assess your firm's current level of strategic alignment maturity by measuring your response to items related to your IT and business organizations:

Communications	(Part II)
Competency and value of IT	(Part III)
IT governance decisions	(Part IV)
Partnerships	(Part V)
IT infrastructure	(Part VI)
Skills resources	(Part VII)

For each of the questions in these sections, you are asked to choose the one response that most closely represents your opinion of the effectiveness of your organization's management practices and strategic choices. If you are unsure how to answer a question without guessing, or if the item is not applicable to your organization, mark the "N/A or don't know" box.

PART II: EFFECTIVENESS OF IT AND BUSINESS COMMUNICATIONS

15. To what extent does IT understand the organization's business environment (e.g., its customers, competitors, processes, partners/alliances):
- 1 ☐ Senior and mid-level IT managers do not understand the business.
 - 2 ☐ Senior and mid-level IT managers have a limited understanding of the business.
 - 3 ☐ Senior and mid-level IT managers have a good understanding of the business.
 - 4 ☐ Understanding of the business by all IT members is encouraged and promoted by senior managers.
 - 5 ☐ Understanding of the business is required (e.g., tied to performance appraisals) throughout the IT function.
 - 6 ☐ N/A or don't know
16. To what extent do the business organizations understand the IT environment (e.g., its current and potential capabilities, systems, services, processes):
- 1 ☐ Senior and mid-level business managers do not understand IT.
 - 2 ☐ Senior and mid-level business managers have a limited understanding of IT.
 - 3 ☐ Senior and mid-level business managers have a good understanding of IT.
 - 4 ☐ Understanding of IT by all employees is encouraged and promoted by senior management.
 - 5 ☐ Understanding of IT is required (e.g., tied to performance appraisals) throughout the business.
 - 6 ☐ N/A or don't know
17. The following statements pertain to methods (e.g., intranets, bulletin boards, education, meetings, e-mail) in place to promote organizational education/learning (e.g., of experiences, problems, objectives, critical success factors). Organizational learning occurs primarily through:
- 1 ☐ Ad-hoc/casual methods (employee observation, anecdote sharing, peer meetings, etc.)
 - 2 ☐ Informal methods (newsletters, bulletin board notices, computer reports, group e-mail, fax, etc.)
 - 3 ☐ Regular, clear methods (training, e-mail, phone-mail, intranet, department meetings, etc.) from mid-level management
 - 4 ☐ Formal, unifying, bonding methods from senior and mid-level management
 - 5 ☐ Formal, unifying, bonding methods from senior and mid-level management, with feedback measures to monitor and promote effectiveness of learning
 - 6 ☐ N/A or don't know
18. The following question pertains to communications protocol. The IT and business communication style (e.g., ease of access, familiarity of stakeholders) tends to be:
- 1 ☐ One-way, from the business; formal and inflexible
 - 2 ☐ One-way, from the business; moderately informal and moderately flexible
 - 3 ☐ Two-way; formal and inflexible
 - 4 ☐ Two-way; moderately informal and moderately flexible
 - 5 ☐ Two-way; informal and flexible
 - 6 ☐ N/A or don't know
19. The following statements pertain to the extent in which there is knowledge sharing (intellectual understanding and appreciation of the problems/opportunities, tasks, roles, objectives, priorities, goals, direction, etc.) between IT and business:
- 1 ☐ Knowledge sharing is on an ad-hoc basis.
 - 2 ☐ Knowledge sharing is somewhat structured and/or structure is beginning to be created.
 - 3 ☐ There is structured sharing around key functional unit processes.
 - 4 ☐ There is formal sharing at the functional unit level and at the corporate level.
 - 5 ☐ There is formal sharing at the functional unit level, at the corporate level, and with business partners/alliances.
 - 6 ☐ N/A or don't know

20. The following statements pertain to the role and effectiveness of IT and business liaisons:

- 1 ☐ We do not use liaisons, or if we do, we do so on an ad-hoc, as needed basis.
- 2 ☐ We regularly use liaisons to transfer IT knowledge to the business and business knowledge to IT. They are the primary contact point for interactions between IT and the business. Liaisons *are not* usually used to facilitate relationship development.
- 3 ☐ We regularly use liaisons to transfer IT knowledge to the business and business knowledge to IT. They occasionally facilitate relationship development.
- 4 ☐ We regularly use liaisons to facilitate the transfer of IT knowledge to the business and business knowledge to IT. Their primary objective is to facilitate internal relationship development.
- 5 ☐ We regularly use liaisons to facilitate the transfer of IT knowledge to the business and external partners and business knowledge to IT. Their primary objective is to facilitate relationship development across the business and its external partners.
- 6 ☐ N/A or don't know

PART III: MEASUREMENT OF THE COMPETENCY AND VALUE OF IT

21. The following statements pertain to the metrics and processes used to measure IT's contribution to the business.

- 1 ☐ The metrics and processes we have in place to measure IT are primarily technical (e.g., system availability, response time).
- 2 ☐ We are equally concerned with technical *and* cost efficiency measures. We have limited or no formal feedback processes in place to review and take action based on the results of our measures.
- 3 ☐ We formally assess technical and cost efficiency using traditional financial measures, such as return on investment (ROI) and activity-based costing (ABC). We are starting to put formal feedback processes in place to review and take action based on the results of our measures.
- 4 ☐ We formally assess technical, cost efficiency, and cost effectiveness using traditional financial measures (e.g., ROI, ABC). We have formal feedback processes in place to review and take action based on the results of our measures.
- 5 ☐ We use a multi-dimensional approach with appropriate weights given to technical, financial, operational, and human-related measures. We have formal feedback processes in place to review and take action based on the results of our measures. These measures are extended to our external partners (e.g., vendors, outsourcers, customers).
- 6 ☐ N/A or don't know

22. The following statements pertain to the use of business metrics to measure contribution to the business.

- 1 ☐ We do not measure the value of our business investments, or do so on an ad-hoc basis.
- 2 ☐ We are concerned with cost efficiency measures at the functional organization level only. We have limited or no formal feedback processes in place to review and take action based on the results of our measures.
- 3 ☐ We formally use traditional financial measures, such as return on investment (ROI) and activity-based costing (ABC), across functional organizations. We are starting to have formal feedback processes in place to review and take action based on the results of our measures.
- 4 ☐ We formally measure value based on the contribution to our customers. We have formal feedback processes in place to review and take action based on the results of our measures and to assess contributions across functional organizations.
- 5 ☐ We use a multi-dimensional approach with appropriate weights given to technical, financial, operational, and human-related measures. We have formal feedback processes in place to review and take action based on the results of our measures. These measures are extended to our external partners (e.g., vendors, outsourcers, customers).
- 6 ☐ N/A or don't know

23. The following statements pertain to the use of integrated IT and business metrics to measure IT's contribution to the business.

- 1 ☐ We do not measure the value of our IT business investments, or do so on an ad-hoc basis.
- 2 ☐ The value measurements for IT and business are not linked. We have limited or no formal feedback processes in place to review and take action based on the results of our measures.
- 3 ☐ The value measurements for IT and business are starting to be linked and formalized. We are also starting to have formal feedback processes in place to review and take action based on the results of our measures.
- 4 ☐ We formally link the value measurements of IT and business. We have formal feedback processes in place to review and take action based on the results of our measures and to assess contributions across functional organizations.
- 5 ☐ We use a multi-dimensional approach with appropriate weight given to IT and business measures. We have formal feedback processes in place to review and take action based on the results of our measures. These measures are extended to our external partners (e.g., vendors, outsourcers, customers).
- 6 ☐ N/A or don't know

24. The following statements pertain to the use of service level agreements (SLAs):

- 1 ☐ We do not use SLAs or do so sporadically.
- 2 ☐ We have SLAs which are primarily technically oriented (response time, length of computer downtime, etc.), between the IT and functional organizations.
- 3 ☐ We have SLAs which are both technically oriented and relationship-oriented (user/customer satisfaction, IT's commitment to the business, etc.) that are between the IT and functional organizations and also emerging across the enterprise.
- 4 ☐ We have SLAs which are both technically-oriented and relationship-oriented, between the IT and functional organizations as well as enterprise wide.
- 5 ☐ We have SLAs which are both technically-oriented and relationship-oriented, between the IT and functional organizations as well as at enterprise wide and with our external partners/alliances.
- 6 ☐ N/A or don't know

25. The following statements pertain to benchmarking practices. *Informal* practices are such things as informal interviews, literature searches, company visits, etc., while *formal* practices are such things as environmental scanning, data gathering and analysis, determining best practices, etc.

- 1 ☐ We seldom or never perform either informal or formal benchmarks.
- 2 ☐ We occasionally or routinely perform informal benchmarks.
- 3 ☐ We occasionally perform formal benchmarks and seldom take action based on the findings.
- 4 ☐ We routinely perform formal benchmarks and usually take action based on the findings.
- 5 ☐ We routinely perform formal benchmarks and have a regulated process in place to take action and measure the changes.
- 6 ☐ N/A or don't know

26. The following statements pertain to the extent of assessment and review of IT investments.

- 1 ☐ We do not formally assess and/or review.
- 2 ☐ We assess and/or review only after we have a business or IT problem (i.e., failed IT project, market share loss).
- 3 ☐ Assessments and/or reviews are becoming routine occurrences.
- 4 ☐ We routinely assess and/or review and have a formal process in place to make changes based on the results.
- 5 ☐ We routinely assess and/or review and have a formal process in place to make changes based on the results and measure the changes. Our external partners are included in the process.
- 6 ☐ N/A or don't know

27. The following statements pertain to the extent to which IT-business continuous improvement practices (e.g., quality circles, quality reviews) and effectiveness measures are in place.

- 1 ☐ We do not have any continuous improvement practices in place.
- 2 ☐ We have a few continuous improvement practices in place, but no effectiveness measures are in place.
- 3 ☐ We have a few continuous improvement practices in place and the use of effectiveness measures is emerging.
- 4 ☐ We have many continuous improvement practices in place and we frequently measure their effectiveness.
- 5 ☐ We have well established continuous improvement practices and effectiveness measures in place.
- 6 ☐ N/A or don't know

28. The demonstrated contribution that the IT function has made to the accomplishment of the organization's strategic goals is:

- 1 ☐ Very weak
- 2 ☐ Somewhat weak
- 3 ☐ Neither weak nor strong
- 4 ☐ Somewhat strong
- 5 ☐ Very strong
- 6 ☐ N/A or don't know

PART IV: IT GOVERNANCE

29. The following statements pertain to strategic business planning with IT participation.

- 1 ☐ We do no formal strategic business planning or, if it is done, it is done on an as-needed basis.
- 2 ☐ We do formal strategic business planning at the functional unit level with slight IT participation.
- 3 ☐ We do formal strategic business planning at the functional unit levels with some IT participation. There is some inter-organizational planning.
- 4 ☐ We do formal strategic business planning at the functional unit and across the enterprise with IT participation.
- 5 ☐ We do formal strategic business planning at the functional unit, across the enterprise, and with our business partners/alliances with IT participation.
- 6 ☐ N/A or don't know

30. The following statements pertain to strategic IT planning with business participation.

- 1 ☐ We do no formal strategic IT planning or, if it is done, it is done on an as-needed basis.
- 2 ☐ We do formal strategic IT planning at the functional unit level with slight business participation.
- 3 ☐ We do formal strategic IT planning at the functional unit levels with some business participation. There is some inter-organizational planning.
- 4 ☐ We do formal strategic IT planning at the functional unit and across the enterprise with the business.
- 5 ☐ We do formal strategic business planning at the functional unit, across the enterprise, and with our business partners/alliances.
- 6 ☐ N/A or don't know

31. The following statements pertain to IT budgeting. Our IT function is budgeted as a:

- 1 ☐ Cost center, with erratic/inconsistent/irregular/changeable spending
- 2 ☐ Cost center, by functional organization
- 3 ☐ Cost center with some projects treated as investments
- 4 ☐ Investment center
- 5 ☐ Profit center, where IT generates revenues
- 6 ☐ N/A or don't know

32. The following statements pertain to IT investment decisions. Our IT investment decisions are primarily based on IT's ability to:

- 1 ☐ Reduce costs.
- 2 ☐ Increase productivity and efficiency as the focus.
- 3 ☐ Traditional financial reviews. IT is seen as a process enabler.
- 4 ☐ Business effectiveness is the focus. IT is seen as a process driver or business strategy enabler.
- 5 ☐ Create competitive advantage and increase profit. Our business partners see value.
- 6 ☐ N/A or don't know

33. The following statements pertain to IT steering committee(s) with senior level IT and business management participation.
- 1 ☐ We do not have formal/regular steering committee(s).
 - 2 ☐ We have committee(s) which meet informally on an as-needed basis.
 - 3 ☐ We have formal committees, which meet regularly and have emerging effectiveness.
 - 4 ☐ We have formal, regular committee meetings with demonstrated effectiveness.
 - 5 ☐ We have formal, regular committee meetings with demonstrated effectiveness that include strategic business partners sharing decision-making responsibilities.
 - 6 ☐ N/A or don't know
34. The following statements pertain to how IT projects are prioritized. Our IT project prioritization process is usually:
- 1 ☐ In reaction to a business or IT need.
 - 2 ☐ Determined by the IT function.
 - 3 ☐ Determined by the business function.
 - 4 ☐ Mutually determined between senior and mid-level IT and business management.
 - 5 ☐ Mutually determined between senior and mid-level IT and business management and with consideration of the priorities of any business partners/alliances.
 - 6 ☐ N/A or don't know
35. The ability of the IT function to react/respond quickly to the organization's changing business needs is:
- 1 ☐ Very weak
 - 2 ☐ Somewhat weak
 - 3 ☐ Neither weak nor strong
 - 4 ☐ Somewhat strong
 - 5 ☐ Very strong
 - 6 ☐ N/A or don't know

PART V: PARTNERSHIPS BETWEEN IT AND BUSINESS FUNCTIONS

36. IT is perceived by the business as:
- 1 ☐ A cost of doing business
 - 2 ☐ Emerging as an asset
 - 3 ☐ A fundamental enabler of future business activity
 - 4 ☐ A fundamental driver of future business activity
 - 5 ☐ A partner with the business that co-adapts/improvises in bringing value to the firm
 - 6 ☐ N/A or don't know
37. The following statements pertain to the role of IT in strategic business planning.
- 1 ☐ IT does not have a role.
 - 2 ☐ IT is used to enable business processes.
 - 3 ☐ IT is used to drive business processes.
 - 4 ☐ IT is used to enable or drive business strategy.
 - 5 ☐ IT co-adapts with the business to enable/e/drive strategic objectives.
 - 6 ☐ N/A or don't know
38. The following statements pertain to the sharing (by IT and business management) of the risks and rewards (e.g., bonuses) associated with IT-based initiatives (i.e., a project is late and over budget because of business requirement changes).
- 1 ☐ IT takes all the risks and does not receive any of the rewards.
 - 2 ☐ IT takes most of the risks with little reward.
 - 3 ☐ Sharing of risks and rewards is emerging.
 - 4 ☐ Risks and rewards are always shared.
 - 5 ☐ Risks and rewards are always shared and we have formal compensation and reward systems in place that induce managers to take risks.
 - 6 ☐ N/A or don't know
39. The following statements pertain to formally managing the IT/business relationship. To what extent are there formal processes in place that focus on enhancing the partnership relationships that exist between IT and business (e.g., cross-functional teams, training, risk/reward sharing):

- 1 ☐ We don't manage our relationships.
- 2 ☐ We manage our relationships on an ad-hoc basis.
- 3 ☐ We have defined programs to manage our relationships, but IT or the business does not always comply with them. Conflict is seen as creative rather than disruptive.
- 4 ☐ We have defined programs to manage our relationships and both IT and the business comply with them.
- 5 ☐ We have defined programs to manage our relationships, both IT and the business comply with them, and we are continuously improving them.
- 6 ☐ N/A or don't know

40. The following statements pertain to IT and business relationship and trust.

- 1 ☐ There is a sense of conflict and mistrust between IT and the business.
- 2 ☐ The association is primarily an "arm's length" transactional style of relationship.
- 3 ☐ IT is emerging as a valued service provider.
- 4 ☐ The association is primarily a long-term partnership style of relationship.
- 5 ☐ The association is a long-term partnership and valued service provider.
- 6 ☐ N/A or don't know

41. The following statements pertain to business sponsors/champions. Our IT-based initiatives:

- 1 ☐ Do not usually have a senior level IT or business sponsor/champion.
- 2 ☐ Often have a senior level IT sponsor/champion only.
- 3 ☐ Often have a senior level IT and business sponsor/champion at the functional unit level.
- 4 ☐ Often have a senior level IT and business sponsor/champion at the corporate level.
- 5 ☐ Often have a senior level IT and the CEO as the business/sponsor champion.
- 6 ☐ N/A or don't know

PART VI: SCOPE AND ARCHITECTURE OF THE IT INFRASTRUCTURE

42. The following statements pertain to the scope of your IT systems. Our primary systems are:

- 1 ☐ Traditional office support (e.g., e-mail, accounting, word processing, legacy systems)
- 2 ☐ Transaction-oriented (e.g., back office support)
- 3 ☐ Business process enablers (IT supports business process change)
- 4 ☐ Business process drivers (IT is a catalyst for business process change)
- 5 ☐ Business strategy enablers/drivers (IT is a catalyst for changes in the business strategy)
- 6 ☐ N/A or don't know

43. The following statements pertain to the articulation of and compliance with IT standards. Our IT standards are:

- 1 ☐ Non-existent *or* not enforced
- 2 ☐ Defined and enforced at the functional unit level but not across different functional units
- 3 ☐ Defined and enforced at the functional unit level with emerging coordination across functional units
- 4 ☐ Defined and enforced across functional units
- 5 ☐ Defined and enforced across functional units, and with joint coordination among our strategic business partners/alliances
- 6 ☐ N/A or don't know

44. The following statements pertain to the scope of architectural integration. The components of our IT infrastructure are:

- 1 ☐ Not well integrated
- 2 ☐ Integrated at the functional unit with emerging integration across functional units
- 3 ☐ Integrated across functional units
- 4 ☐ Integrated across functional units and our strategic business partners/alliances
- 5 ☐ Evolving with our business partners
- 6 ☐ N/A or don't know

45. The following statements pertain to the level of disruption caused by business and IT changes (e.g., implementation of a new technology, business process, merger/acquisition). Most of the time, a business or IT change is:

- 1 ☐ Not readily transparent (very disruptive)
- 2 ☐ Transparent at the functional level only
- 3 ☐ Transparent at the functional level and emerging across all remote, branch, and mobile locations
- 4 ☐ Transparent across the entire organization

- 5 ☐ Transparent across the organization and to our business partners/alliances
 6 ☐ N/A or don't know

46. The following statements pertain to the scope of IT infrastructure flexibility to business and technology changes. Our IT infrastructure is viewed as:

- 1 ☐ A utility providing the basic IT services at minimum cost
 2 ☐ Emerging as driven by the requirements of the current business strategy
 3 ☐ Driven by the requirements of the current business strategy
 4 ☐ Emerging as a resource to enable fast response to changes in the marketplace
 5 ☐ A resource to enable and drive fast response to changes in the marketplace
 6 ☐ N/A or don't know

PART VII: HUMAN RESOURCE SKILLS

47. The following statements pertain to the extent the organization fosters an innovative entrepreneurial environment. Entrepreneurship is:

- 1 ☐ Discouraged
 2 ☐ Moderately encouraged at the functional unit level
 3 ☐ Strongly encouraged at the functional unit level
 4 ☐ Strongly encouraged at the functional unit and corporate levels
 5 ☐ Strongly encouraged at the functional unit, corporate level, and with business partners/alliances
 6 ☐ N/A or don't know

48. The following statements pertain to the cultural locus of power in making IT-based decisions. Our important IT decisions are made by:

- 1 ☐ Top business management or IT management at the corporate level only
 2 ☐ Top business or IT management at corporate level with emerging functional unit level influence
 3 ☐ Top business management at corporate and functional unit levels, with emerging shared influence from IT management
 4 ☐ Top management (business and IT) across the organization and emerging influence from our business partners/alliances.
 5 ☐ Top management across the organization with equal influence from our business partners/alliances.
 6 ☐ N/A or don't know

49. The following statements pertain to your organization's readiness for change.

- 1 ☐ We tend to resist change.
 2 ☐ We recognize the need for change and change readiness programs are emerging.
 3 ☐ Change readiness programs providing training and necessary skills to implement change are in place at the functional unit level.
 4 ☐ Change readiness programs are in place at the corporate level.
 5 ☐ Change readiness programs are in place at the corporate level and we are proactive and anticipate change.
 6 ☐ N/A or don't know

50. The following statements pertain to career crossover opportunities among IT and business personnel.

- 1 ☐ Job transfers rarely or never occur.
 2 ☐ Job transfers occasionally occur within the functional organization.
 3 ☐ Job transfers regularly occur for management level positions usually at the functional level.
 4 ☐ Job transfers regularly occur for all position levels and within the functional units.
 5 ☐ Job transfers regularly occur for all position levels, within the functional units, and at the corporate level.
 6 ☐ N/A or don't know

51. The following statements pertain to employee opportunities to learn about and support services outside the employee's functional unit (e.g., programmers trained in product/service production functions, customer service trained in systems analysis) using programs such as cross training and job rotation. The organization:

- 1 ☐ Does not provide opportunities to learn about support services outside the employee's functional unit.
 2 ☐ Opportunities are dependent on the functional unit.
 3 ☐ Formal programs are practiced by all functional units.
 4 ☐ Formal programs are practiced by all functional units and across the enterprise.
 5 ☐ Opportunities are formally available across the enterprise and with business partners/alliances.
 6 ☐ N/A or don't know

52. The following statements pertain to the interpersonal interaction (e.g., trust, confidence, cultural, social, and political environment) that exists across IT and business units in our organization.
- 1 ☐ There is minimum interaction between IT and business units.
 - 2 ☐ The association is primarily an “arm’s length” transactional style of relationship.
 - 3 ☐ Trust and confidence among IT and business is emerging.
 - 4 ☐ Trust and confidence among IT and business is achieved.
 - 5 ☐ Trust and confidence is extended to external customers and partners.
 - 6 ☐ N/A or don’t know
53. The following statements pertain to the IT organization’s ability to attract and retain the best business and technical professionals.
- 1 ☐ There is no formal program to retain IT professionals. Recruiting demands are filled ineffectively.
 - 2 ☐ IT hiring is focused on technical expertise.
 - 3 ☐ IT hiring is focused equally on technical and business expertise. Retention programs are in place.
 - 4 ☐ Formal programs are in place to attract and retain the best IT professionals with both technical and business skills.
 - 5 ☐ Effective programs are in place to attract and retain the best IT professionals with both technical and business skills.
 - 6 ☐ N/A or don’t know

THANK YOU FOR YOUR PARTICIPATION