Chapter VIII
Holistic Approach to Align ICT Capabilities with Business Integration

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ABSTRACT

In this ever faster changing world, organizations have to adapt quickly to changes in the market or its environment. Business integration, within one or between multiple organizations, is one of these changes imposed on organizations. In some cases, information and communication technology (ICT) is an enabler of an effective and efficient integration, but in other cases, ICT is one of the reasons of failure to this integration. In this chapter, a holistic approach to align ICT capabilities with business integration is proposed. In this proposal, a broader perspective is taken in which not only ICT, but also cultural and social aspects, are taken into account.

INTRODUCTION

Business integration is becoming more and more important in the current business landscape due to changing market dynamics, changing legislation, mergers and acquisitions. Business integration, however, does not stand on its own. The need for integration is a demand from the business, emerging from the business strategy of a company, itself derived from the grand strategy of that enterprise.

On the other hand, the need for business integration implies challenges on an enterprise's ICT department and the ICT **capabilities** it puts to the disposition of the business to assist in realizing the business strategy.

In this chapter, a holistic approach for the alignment of **business integration** with the necessary ICT capabilities is described. This holistic approach encompasses the set-up of an interdisciplinary forum (**IF**) whose task is to align the business strategy with the resource strategy and whose output consists of Service Level Agreements (SLAs) for human resources (HR), finance, ICT. The IF is the implementation of the holistic approach and, therefore, it cannot solely be a collection of technocrats. The IF takes into account the mission statement, the vision and the values of an enterprise. Values especially are a differentiating factor between organizations and define the organization's culture, a typical social phenomenon.

For every SLA, a steering plan and steering group is formed, guarding the negotiated SLA. In the holistic approach, the IF further delegates the SLA for ICT to the Enterprise Architecture, which serves as guardian of the ICT capabilities and ICT assets.

In the remainder of this chapter we will discuss the IF in general. Then, we discuss our view on Enterprise Architecture and how it relates to the IF. Following, it is time to tackle business integration's impact on Enterprise Architecture. The theoretical foundations as laid down in this chapter are evaluated against a case. Finally, we conclude with a summary.

THE INTERDISCIPLINARY FORUM

Context

Business integration, be it within the boundaries of one enterprise or between enterprises, is about the business value expected to be obtained through exchanging services and information between **business processes**. How to exchange the information is a technical challenge whose solution depends on the technology portfolio and the ICT capabilities of the ICT departments responsible for implementation of the business integration. Why and what information should be exchanged are answered by analyzing the business needs. Hence, the information to be exchanged is dependent on the business strategy which, in turn, is an outcome of the grand strategy of the enterprise.

Rabaey, Hoffman, and Vandenborre (2004) argue, through a mapping of military strategy to civilian organizations, that for each resource a resource strategy has to be developed in function of the core business and, in doing so, it will maximize the achievement of the enterprise's main objectives. This resource strategy is, in contrast with the business strategy, not a direct derivative of the grand strategy, but it is aligned with this grand strategy.

Therefore, considering the differences in defining business and resource strategies, an alignment between these two has to be put in place. This is done through setting up an IF, which consists of experts in the field of the business strategy as well as experts from each resource field. The output of this IF is descriptions of services (through SLAs) and Resource Allocation Agreements (**RAA**) delivered by the different resource fields to the core business processes. For that reason, the supportive business units are made accountable for realizing the business strategy.

The discussion framework is based on a self-assessment technique of Malcolm Balridge, European Foundation of Quality Management (EFQM) and Common Assessment Framework (CAF). These frameworks take topics as strategy, process management, leadership, partners and personnel into account. In the results, indicators are defined to check the critical issues.

The advantage of choosing a self-assessment technique as foundation for the working of the IF is that in doing so, the social and cultural characteristics of an enterprise or network of enterprises are taken into account. Considering **business integration**, the **IF** brings a consensus on (enterprise) cultural differences and establishes

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