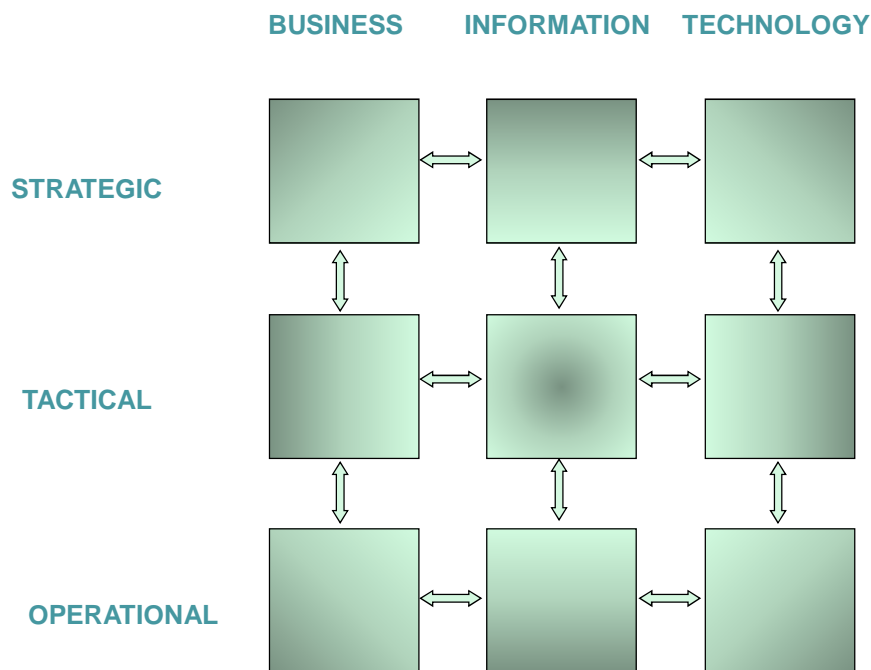


SAME[©]



Strategic Alignment Model Enhanced[©]

SAME – The Strategic Alignment Model Enhanced

Background

Information heavily influences most of the activities and values in this world: we live in an information society. The resulting dependency on information requires careful handling of information processing systems and related services. These need to be managed in a way that results in optimal benefit from information in the organization.

Fast growing usage, together with the fast growing integration of the information processing facilities, results in an explosively growing complexity. To obtain the desired benefits from the information processing facilities, this complexity needs to be controlled. Therefore, an overall framework for the various responsibilities and functions in the information processing domain can be of great value.

Scope

The core activities in an organization require the presence of several types of supporting activities. One of these supporting activities is the provision of the required information and the information processing facilities: Information Support. Although Information Support has gained a high position on the agenda of many organizations, it still aims at *supporting* the core activities of the organization. In this way, it is no different from other supporting activities, like Finance, Human Resource, Logistics, etcetera (see Figure 1).

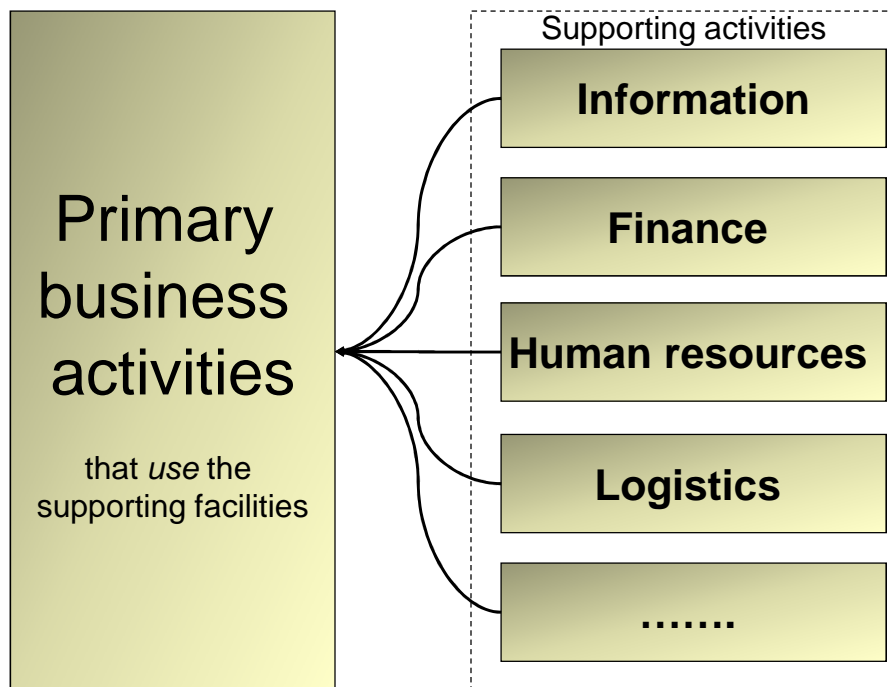


Fig. 1 Division between primary and supporting activity domains



Each of these supporting activity domains will have its own core activities that again will use a series of supporting facilities. This recursion creates chains or networks of domains that provide value to the original core business activities. In order to manage this system of interrelating domains, the frame of reference needs a clear scope from the beginning. In the SAME model we focus on the situation of a business domain with a set of core activities and a supporting domain for the provision of information for these core activities.

Modelling approach

Complex issues can be controlled easier by modelling them. In its essence modelling comes down to abstracting: depicting the complex reality in a simpler structure. Abstracting makes it possible to develop a workable model of the reality that helps to see the reality in simpler structures. Modelling helps to gain insight in that complex reality, and with that, supports the successful functioning of the organization in that reality.

Management models are essentially about the exchange of ideas, the development of better communication and the better facilitation of the cooperation of all parties involved.

A broadly used modelling structure is based on compartmentation. A first subdivision of a model into *two compartments* is often followed by creating an *intermediate layer* between the compartments.

A simple two-compartment system often shows a gap that is too big, and that negatively influences compartment alignment. In terms of Information Support, this situation is well-known. "Business doesn't understand IT" and "IT doesn't understand the business" are amongst the most familiar complaints in the information industry.

The intermediate layer then supports the alignment between the compartments, in terms of cooperation, coordination, and communication.

The power of this connecting, intermediate layer increasingly comes from the intermediate layer itself. A focus on improving alignment tends to be more appealing to organizations and individuals than any traditional thinking in terms of conflicting interests: "All wars eventually end". Therefore intermediate layers are more than transition zones. Because of their character and influence within the model, intermediate layers usually become more valuable in their own right and therefore deserve committed attention.

Basic structures in the model

To support the effective and efficient use of information in an organization, a lot has to be taken care of. The SAME model focuses on two core dimensions (figure 2):

1. **The information dimension** – This covers the *use* of information as well as *designing, controlling, building* and *running* the information processing systems for the user.
2. **The organization dimension** – This covers the *determination* of the goals of the organization, as well as the *design, control and realization* of the objectives.

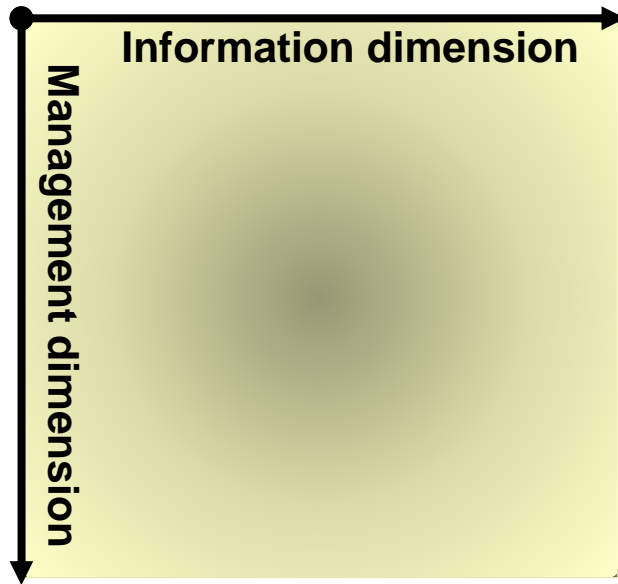


Figure 2 Core dimensions in the SAME Model

This means that a first compartmentation can be made between the primary business domain where the information is *used*, and the secondary domain that *supports* the use of the information (Figure 3).

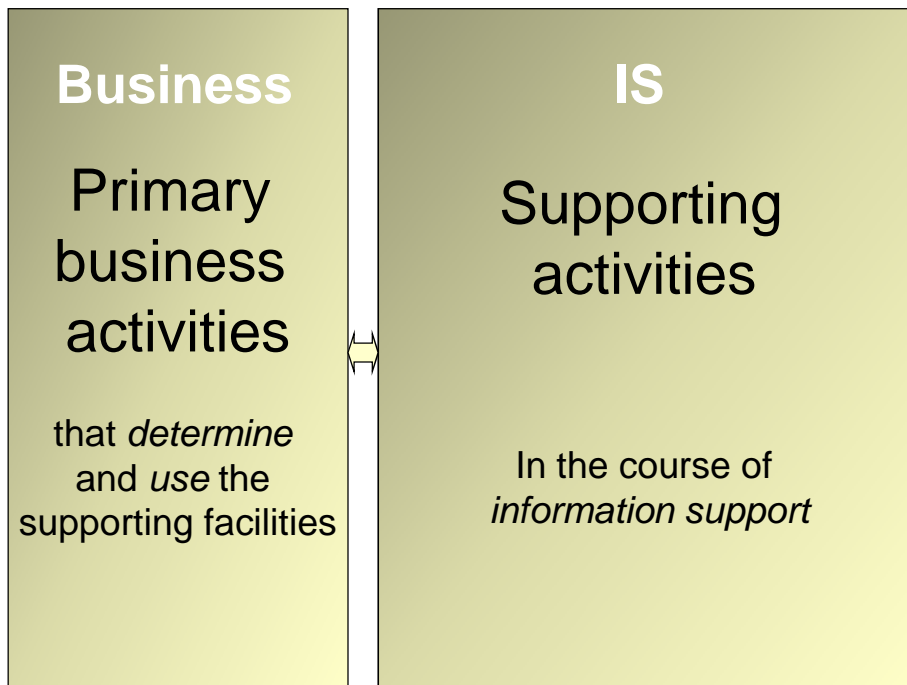


Figure 3 Division between primary business activities and secondary Information Support activities

A second compartmentation can be made between the organization domain where the goals are *set* and the domain where these are *realized* (Figure 4).

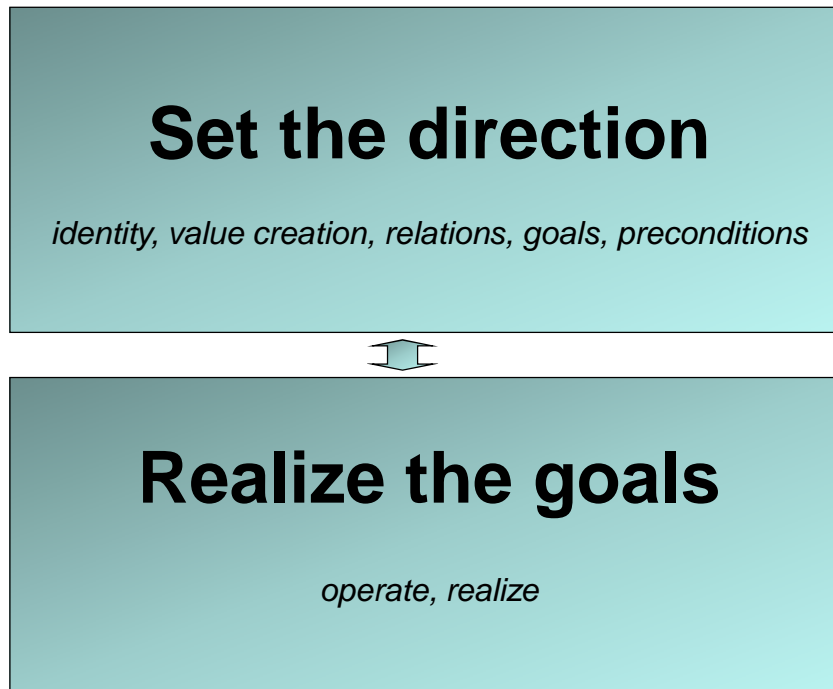


Figure 4 Division between management and operations in an organization

Both dimensions now need an intermediate layer between their respective compartments.

The information dimension

To manage and control the performance of a supporting activity domain, the principle of separation of duties (SoD) is generally applied: divide an activity domain into a first sub domain that *designs and controls*, and a second sub domain that *realizes* what is determined by the first sub domain. This method is widely used and provides auditability and in general a better overview and manageability. Applied to the Information Support domain, it leads to two sub domains: the Information Management domain (IM) and the Information Technology domain (IT). Put together, the result is a three-domain structure (Figure 5).

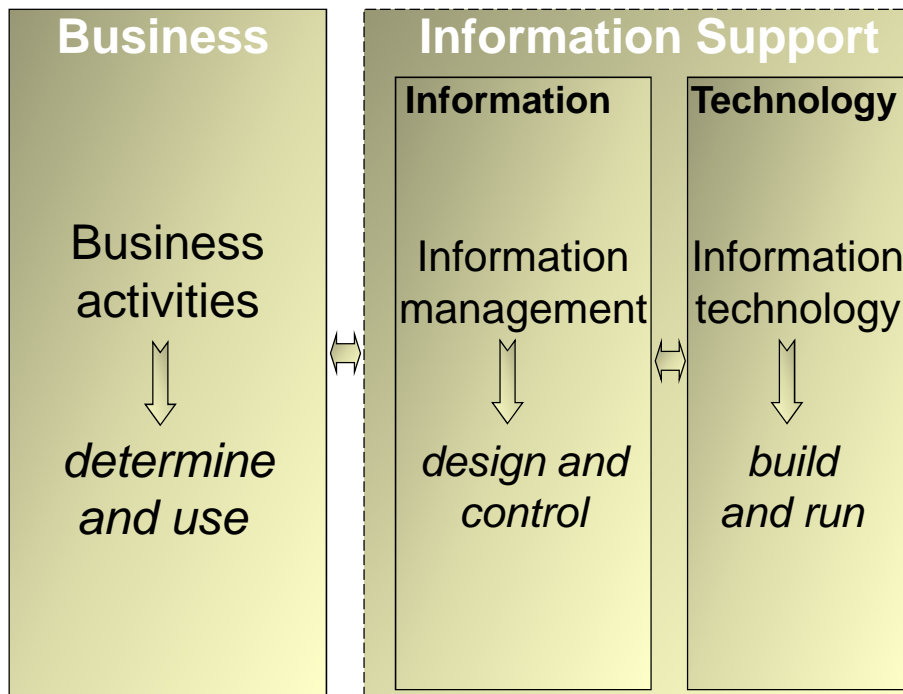


Figure 5 Division of functions in the domain of Information Support

The IM domain covers the management of all information, whether provided by means of automated systems or not. The IT domain provides the facilities to use the information, including the information processing technology as well as the required facilities for the technology (electricity, space, temperature, etc.).

The IM domain is now positioned as the intermediate layer between the core business domain and the supporting IT domain. Note that from the business perspective, the IM domain covers the IT domain: the business is only interested in the supplied information and not in the way it is produced. This implies the existence of a chain model: the business relates to the IM domain, and the IM domain relates to the IT domain.

As these three domains are part of the same enterprise, they will need to be managed as a coherent system. The information demand of the business has a highly dynamic character and therefore requires flexibility in the support of the information-intensive business processes. Consequently, the Information Support domain constantly needs to provide optimal support. The different sub domains (IM and IT) cannot be treated statically or as independent aspects: they interact dynamically (Figure 6), and always need to be managed in an end-to-end (enterprise) perspective.

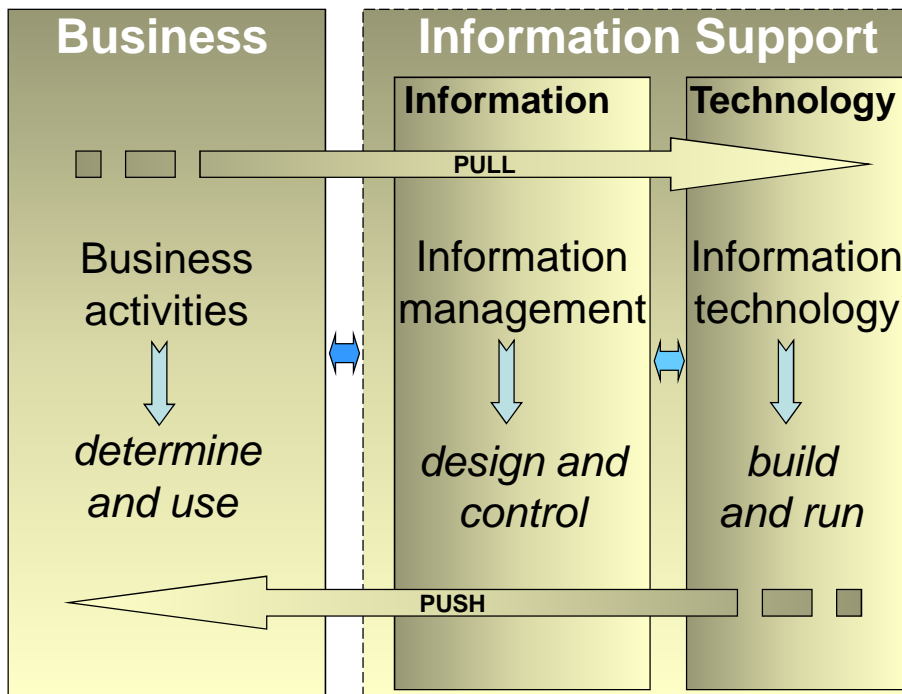


Figure 6 The dynamic interaction between the different Information Support activity domains IM and IT

This system of continual interaction facilitates the adjustment of the system in two directions:

- 1. Pull** – the organization controls the quality of the Information Support based upon requirements that follow directly from the information demand of the primary business activities. In addition, other supporting (business) activities also influence the demand for information. The IM domain acts as the next link in the chain from the business domain perspective.
- 2. Push** – based on both *possibilities* and *impossibilities and problems* from the IT domain, the organization adjusts the set up of the Information Support.

The organization dimension

In the management dimension of the organization the same situation occurs. In every organization the *direction* needs to be *determined*. This involves issues on identity, value creation, relations, goals and preconditions. This domain is called the **strategic** activity domain.

Ultimately the determined direction needs to be realized. This involves executing the activities that are necessary to realize the chosen direction. This domain is called the **operational** activity domain.

In analogy with the horizontal information dimension, these two activity domains need to be connected by an intermediate layer. On the one hand this intermediate layer translates the goals and preconditions of the strategic domain into concrete, realizable objectives, responsibilities, authorizations, frameworks, and guidelines, for the operational domain. On the other hand the intermediate layer facilitates the operational domain to express the (in)capabilities and improvements in the strategic goals. In short, the intermediate layer *designs* a situation where strategy and

operation can be ideally aligned (Figure 7). This also is a continual and dynamic activity: it is not a matter of designing an initial situation just once; above all it is a matter of continually evaluating and re-directing the realization of the operation, in a continual interaction with the strategic domain. In general, this intermediate layer is called the **tactical** activity domain.

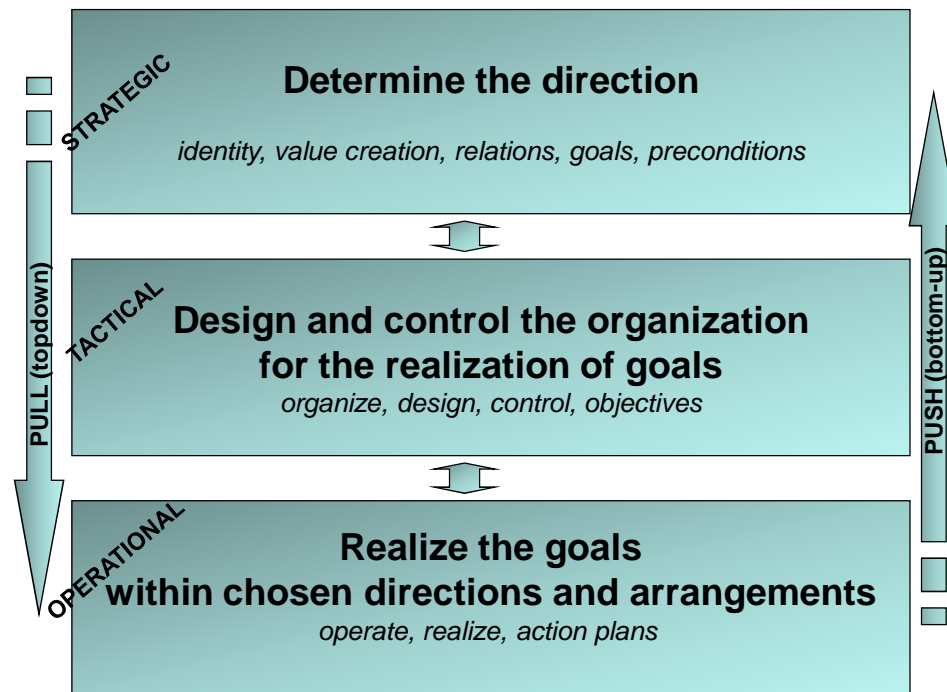


Figure 7 The different activity domains for the management of the organization

The dynamic character again enables the interaction between the domains:

1. **Pull** (top-down) – the structures that have been determined in the intermediate layer require continual maintenance/re-direction based on the interaction between the strategic and operational levels. Plans and goals can be adjusted, market forces can require adjustments, new partnerships can lead to new goals, new ruling can require new preconditions. Continual adjustment based on improvement cycles is necessary: where do we need to be, what can we accomplish in the current context, what do we need to do to achieve that goal – or should we adjust the goal?
2. **Push** (bottom-up) – the organization adjusts objectives and goals by evaluating the realization processes, adding operational experiences to the decision processes. Again this will show both the new *possibilities* as well as the *impossibilities and problems* that an organization will run into.

The combination of information and organization dimensions

Combining the views described above results in a 3x3 model for managing Business, Information and Technology, the SAME Model (Figure 8).

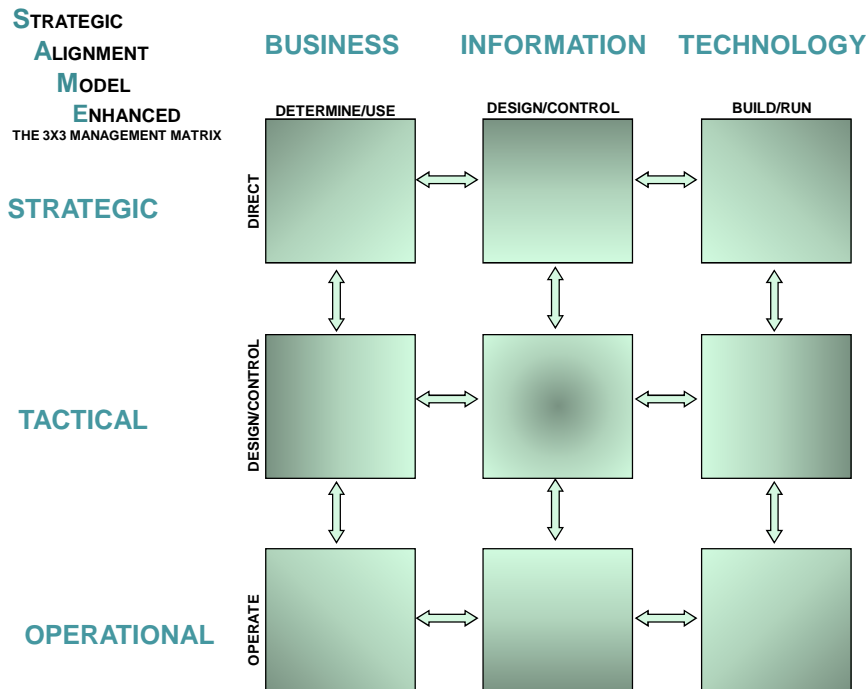


Figure 8 SAME: the 3x3 Strategic Alignment Model Enhanced

The SAME model can be used as the 'basic pattern' for Information Support issues in organizations. Issues that can be addressed by using this model include:

- **The organization of the Information Support** - effectivity and efficiency:
 - Setting up the responsibilities, job descriptions, RACI matrices and teams in the Information Management domain over the borders of the various Business Units, and allocating these to the various cells of the 3x3 matrix
 - Decisions on outsourcing of one or more activities or functions, once they are understood and positioned in the 3x3 matrix
 - Setting up the control organization for the management of outsourced activities or functions, managing external suppliers, setting up agreements, creating reporting policies
 - Auditing the organization
- **Cross-references** - positioning and scoping of existing management frameworks, finding white spots in the management system
- **Process models** - allocating processes to specific management levels or domains, setting up process models based on the given interactions between cells in the 3x3 model, completing process models based on the 3x3 model interactions

Examples of the application of the SAME Model

Example 1: Contracting

If the business wants to contract specific information support, it will contract the IM domain for the provision of *information services*. This agreement can be called an Information Services Agreement (ISA).

The IM domain will then have to contract an IT service providing function, to provide the technology elements of the information services. That agreement will be between



IM and IT, and is called an IT Services Agreement (ITSA) or a Service Level Agreement (SLA).

Example 2: Organizing a Service Desk

The IM domain will have to provide operational support for the user in the business domain. This refers to the functionality and the actual delivery of the agreed information services and is aimed at supporting the use of these information services by the business. The IT domain will have to provide the operational support for the user, under the control of the IM domain, but the IM domain itself will have to provide the support of functionality issues.

For both types of support activities a Service Desk unit may be installed. Instead of creating two separate Service Desks, an organization may decide to create just one integrated Service Desk.

Example 3: Position of frameworks

An organization wants to use widely accepted frameworks for its management approach. It already has ITIL V2 largely in place. The organization now considers the adoption of ITIL V3, and wonders whether this will cover the entire Information Support domain.

The answer is "no". Both ITIL V2 and V3 are largely located in the Technology domain and cover only some minor aspects of the IM domain. The organization will have to adopt additional frameworks to cover the entire Information Support domain.

Example 4: Configuration Management

The CIO, responsible for the Information Support function, wants to bring Configuration Management into position. The CIO intends to do that with one Configuration Management System (CMS). The following problems arise. For the IM and the IT domain different infrastructures are in use. Both infrastructures are managed by different organizational units. Part of the IT domain is outsourced. The CIO will have to set up CMSs for the IM domain as well as for the IT domain, and may be able to integrate these. This requires an interface with the CMS of the external sourcing provider.

Sources

The following sources were used developing the SAME model:

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- **Van der Hoven, D.J., G. Hegger and J. van Bon.** "BII: Beheer van de interne informatievoorziening". In: J. van Bon (ed.), IT Beheer Jaarboek 1998, Ten Hagen & Stam, 1998. Also published as: "MIP: Managing the Information Provision" in: J. van Bon (ed.), World Class IT Service Management Guide, Ten Hagen & Stam, 2000, and in: J. van Bon (ed.), The Guide to IT Service Management, Part 1, Addison Wesley, 2002.
- **Uijtttenbroek, A.A., D.S. Tan and W. de Jong.** Information Infrastructure Management. Lansa, 1999.