A CROSS INDUSTRY EVALUATION OF CRITICAL SUCCESS FACTORS FOR ALIGNMENT OF STRATEGY AND BUSINESS PROCESSES

A Case Study of SMEs in the Region of Jönköping in Sweden

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Abstract: The challenges in the global economy have forced companies to rethink the way they operate and their relations with both customers and subcontractors. To remain competitive, companies need to align their business processes with the firm's strategy and make a strategic use of information technology. This paper addresses one of the important issues in business process management field as well as strategic alignment that is, how do we create and sustain alignment between business processes and strategy? The authors have performed a literature review in order to analyse the challenges and critical success factors in process management and business and IT alignment. The results of that investigation are the basis for developing the approach that is advocated in this paper. Four case studies have been conducted in the area of Jönköping in order to test the validity of the approach in Small and Medium Enterprises (SMEs). The results show that SMEs continuously put efforts to maintain alignment between their business processes and strategy by means of Information Technology. They usually consider people, management, IT/IS and organisational culture as most important in order to create alignment between strategy and business processes. Organisational structure and performance measurement tend to be less important.

1 INTRODUCTION

To remain competitive in today's economy and society enterprises need to align their business processes with strategies and use the leverage potential in information technology. Enterprises are operating in an imbalanced and conflicting environment. Competition within and between industries is threatening previously well-established market segments. The risk that customers substitute former well-established products is higher than ever before (Vernadat, 2002). Information technology has also evolved and new technologies like Internet provide new market places and new opportunities to reach customers. Moreover, customers are now aware of the quality and the price of goods (Vernadat, 2002). It is vital for enterprises to deliver the right product to the right customer at the right time. In addition, companies must reduce their time-to-market in order to remain competitive.

One way of surviving in this situation (illustrated by the "Quality-Cost-Delay" paradigm (Vernadat, 2002)) is to better manage business processes (Business Process Management) and make a strategic use of Information Technology (Harmon, 2009). To ensure good performance, business processes need to be aligned with business strategies. The rationale behind this idea is that business processes can help an organization to achieve efficiency and effectiveness in its business operations, when properly designed (Grover & Otim, 2009).

Although the strategic impact of business process has been widely discussed, most reviews of business

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process related projects indicate that as many as 60 to 80% of those initiatives have resulted in breakdown (Kettinger & Teng, 1998; Abdolvand, Albadvi, & Ferdowsi, 2008; Karim, Somers, & Bhattacherjee, 2007; Macintosh & Maclean, 1999). Besides, there is no approved strategic oriented approach that explicitly links business strategy with business process (Trienekens, Bouman & VanDerZwan, 2004). This is the main opening in this paper in terms of aspects that need to be addressed for aligning business processes with strategy.

The main research question in this paper is, *what are the critical success factors for alignment between business process and strategy?*

The purpose of this paper is to present a framework with a number of critical success factors that can be used as support during development and alignment work.

The paper proceeds as follows. First we will present the research method detailing how the framework was developed, validated, and refined. In the next section we will present related research together with the initial version of the framework. In the following section we present the empirical validation of the framework. Based on this the next section elaborates on refinements of the framework with adherent critical success factors. In the final section we draw some conclusions based on this work and also give an outlook for the future.

2 RESEARCH METHOD

With regards to the wide area of business and IT alignment, we put emphasis on building up our mind and restrict our scope to the strategic alignment of business processes with strategy. Attention here has been to get a broader understanding of strategic alignment of business processes and strategy. The main challenge in this chapter is to formalise the following salient points, which summarise information gathered from literature review:

- The importance of business processes in business and IT alignment.
- The developments in strategic management research which address aligning strategy and its execution
- The challenges and critical success factors in business and IT alignment, process management (business process management (BPM), business process improvement (BPI), business process reengineering (BPR)).

This means firstly that the problem will be positioned and motivated within the framework of business and IT alignment. Secondly, developments in strategy as well as business process will be investigated under the alignment scope.

Basically the research method is divided in three main stages. These stages consist of 1) development of an initial framework, 2) collection and documentation of empirical data, and finally 3) validation and discussion about the suggested framework.

2.1 Development of the Initial Framework

This research is the result of a qualitative and exploratory analysis. Since this paper tries to answer "WHAT" questions it therefore adopts an exploratory approach in order to detect critical success factors (CSF) for alignment of business process and strategy (Ghauri & Gronhaug, 2005). As this research build on existing knowledge (all information from literature review which help to narrow down to specific part of conclusion to represent an approach for aligning strategy with business process) we have applied deductive reasoning. Principally, literature review helps to examine the challenges and critical success factors in BPM and business and IT alignment.

Examining and summarizing successful BPM cases and the factors for strategic BPM have been discussed in various papers by scholars, which are the basic of this approach. Al-Mashari & Zairi (1999) in the paper "BPR implementation process", Kettinger & Teng (1998) in "Aligning BPR to Strategy: a Framework for Analysis", Kettinger & Grover (1995) in "Towards a Theory of Business Process Change Management", Cheng and Chiu (2008), Trkman (2010), and Luftman, Papp & Brier (1999) in "Enablers and Inhibitors of business-IT alignment" have discussed and analysed key factors for success and failure.

2.2 Collection and Documentation of Empirical Data

The goal of the empirical case study is to validate the theoretical approach for CSF in SMEs. According to Yin (1988), evidence for case study may come from different sources such as documents, archive records, interviews, direct observation or physical artefacts. Focused interview as an essential source of case study evidence, has been selected for this research.

The wide area of business process alignments does not allow generalizing the results based on one type of industry. Consequently the companies that are subjects of this report have evolved in different industries ranging from banking, retailing, production and engineering. Reader can find the four studies (interviews) of process and strategy alignment in SMEs that are analysed in this report. The most important criteria to select the cases were:

- They belong to various industries; the idea is to widen the extent of generalisation
- They have an experience in process improvement.
- They make use of information technology to manage their business activities.
- The interviewee must have a position in the organization, which involves them in both business strategy formulation and business process improvement

2.3 Validation and Discussion about the Framework

Scholars state that a proposition is a theoretical guide for case study analysis (Yin, 1988). In this report the theoretical proposition, which is "all aspects in our methodological approach shall be addressed to create alignment between business processes and strategy", has shaped the data collection plan. Yin (1988) advocates that analysis must follow cross-experiment rather than within-experiment design and logic. Therefore this paper performed a cross-case analysis in which the relevance of each alignment factor is discussed.

The steps in analysis could be formalized as follows:

1. The cases descriptions are grounded in the theoretical approach. This means that the cases are described under the frame of the approach.
2. There is a need to examine each factor in order to see how important it is for SMEs.

3 TOWARDS A FRAMEWORK WITH CRITICAL SUCCESS FACTORS

Strategic alignment of business processes refers to the idea that the organisation should create consistency between strategy and business processes. Hence a strategic alignment of business processes provides the company with four specific advantages: (1) a shorter time-to-market, (2) lower cost advantage, (3) high quality product, and (4) improved customer satisfaction (Cleveland, 2006; Kettinger & Teng, 1998; Garvin, 1995).

In this section we first discuss the need for aligning business processes with strategy. Then we define a theoretical framework based on proposed critical success factors for aligning business processes with strategy.

3.1 The Need for an Approach for Strategic Alignment of Business Processes

The need to create a link between business processes and strategy has been widely discussed in the research literature (Trienekens et al., 2004). Most reviews of business process related projects say that as many as 60 to 80% of those initiatives have failed (Kettinger & Teng, 1998; Abdolvand, Albadvi, & Ferdowsi, 2008; Karim et al., 2007; Macintosh and Maclean, 1999).

And when analysing success factors of those business process initiatives, it appears that keys factors for a successful process change program are the effort range in depth and more importantly, the strategic impact. The lack of connectivity between business strategy and business processes endeavours is the main reason for failure (Trkman, 2010; Lee & Dale, 1998).

In fact, alignment of business processes with strategy is double-edge sword, on one hand business strategy can be the anchor for aligning business processes (the strategy execution perspective of Strategic Alignment Model (Henderson & Venkatraman, 1993)), and on the other business processes can serve as base for a new strategy. For instance, the organization cannot focus on everything; otherwise it will be stuck in the middle (Porter, 1980). Thus, it is important for the organization to align the day-to-day activities it performs (business processes) with its strategy in order to stay competitive. Besides, "by significantly improving a firm's operating capabilities, Business Process Reengineering allows the implementation of new strategies and, even more importantly, leads to envisioning of entire new strategy options" (Kettinger & Teng, 1998). Since awareness of the strategic impact of business process change is a critical success factor, business processes need to be aligned with strategy.

Unless researchers agree on the alignment requirement, there are not enough approaches aiming at clarifying how to achieve it in an

organization. Approaches for process improvement usually lack business orientation (Trienekens et al., 2004). Indeed Trienekens et al. (2004) argues "although Capability Maturity Model (CMM) prescribes different types of processes and the application of metrics in process improvement, it lacks well-defined improvement goals at a business level". Besides, the approach designed by Neiger & Churilov (2003) is powerful in identifying and decomposing different types of organization objectives; respectively fundamental objectives, process objectives and functional objectives (Trienekens et al., 2004). Nevertheless, "a direct link of business goals with business processes is not elaborated" (Trienekens et al., 2004).

Business improvement approaches, like Six-sigma and the Balanced Scorecard (BSC) from Kaplan and Norton, provide a path for organizational enhancement "starting from business strategy, predefined types of business goals and predefined types of metrics. However, the link with operational process is missing" (Trienekens et al., 2004).

Based on those evidences, we can conclude that a strategic oriented approach that explicitly link business strategy with business process is still a gap in the research area. The problem has been studied by Trienekens et al. (2004) in the case study at "Thales Naval the Netherland" (TNNL); but alternative approaches need to be investigated and defined.

3.2 Critical Success Factors for Aligning Business Process with Strategy

A mean of understanding how organizations can achieve successful alignment between business processes and strategy is to identify the constituents of alignment. Using an analysis of relevant literature in Business Processes Management (BPM) (which includes BPM, Business Process Re-engineering, Business Process Redesign, and Business Process Improvement, Business Process Change), eight factors have been proposed namely, 1) Strategy, 2) Business processes, 3) Management commitment and support, 4) People or human factors, 5) Organisational culture, 6) Organisational structure, 7) Information technology, 8) Performance measurement (Al-Mashari & Zairi, 1999; Cheng & Chiu, 2008; Trkman, 2010; Armistead, Pritchard, & Machin, Armistead et al., 1999 ; Kettinger & Teng, 1998; Trienekens et al., 2004; Kettinger & Grover, 1995; Garvin, 1995). These factors have been discussed by scholars who have identified the barriers and consequently also the factors of success and failures in BPR initiatives. So then, the eight factors create our research model and each of them is discussed below.

3.2.1 Strategy

Strategy is the basis for business process alignment under which all alignment aspects shall be viewed. In fact strategy should be used to select the processes that an organisation will improve (Kettinger & Teng, 1998; Garvin, 1995). Garvin (1995) argues, "You cannot redesign processes unless you know what you are trying to do". You should "review strategic direction by looking at the competition, then figure out how to organize in order to achieve the new goals". Thus, the activities in the company's value chain should be tailored to the organisational strategy so that the company will obtain a competitive advantage (Porter, 1985). Strategy should also drive performance measurement (Garvin, 1995). It should support selecting which parts of the business processes need to be automated, in which activities Information Technology could have the most important value, and how the organisation structure should evolve, to what extent management system, values, should be improved to fit business processes.

3.2.2 Business Processes

Business processes are the crystal, which links together people, management, IT, organisational culture, and organisational structure. Business processes ensure that people are working together to meet company's goals (Garvin, 1995). When the processes are reliable, repeatable, and in control (Garvin, 1995), they also provide requirement for an effective and efficient IT/IS. In order to keep alignment with strategy, well-defined processes should be customer-focused (Porter, 1985; Cheng & Chiu, 2008). Therefore process redesign must have a direct impact on customer value and cost (Cheng and Chiu, 2008). Basically processes should have "measurement and feedback controls close to the points at which the activities are performed" (Cheng & Chiu, 2008).

3.2.3 Management Support and Commitment

Kettinger & Teng (1998) argue that management systems, styles, values and measurements should support the improvement of process efficiency

(minimizing the resource needed) and effectiveness (producing the desire results). Effective business process implementation requires top management's support and commitment (Harrington, 1991; Diaz & Sligo, 1997). Top management should have strong leadership that will enable to diagnose and influence organisational culture (Kettinger & Grover, 1995), in order to break resistance and status quo. Process management requires more soft skills and communication skills (Garvin, 1995) than bureaucratic management. Many scholars strongly advocate the need to create a balance between functional and cross-functional teams. Indeed, well-managed business processes have a process owner - someone who is held accountable for how well the processes perform (Harrington, 1991; Garvin, 1995).

3.2.4 People or Human Factors

People or human factors are important in business processes, since they perform the activities in the processes. People have various assets like knowledge, skills, jobs, behaviour, and culture, which are needed in order to improve process efficiency and effectiveness (Kettinger & Teng, 1998). Besides people possess loyalty, commitment to customers and understanding of firm's culture, which are fundamental and valuable when an organisation shifts to new processes (Garvin, 1995). The shift to new processes may infer job redefinition. Thus people may need re-skilling, training (Garvin, 1995). In short people development is important for alignment. But people could be resistant to changes in the way they were used to work.

3.2.5 Organisational Culture

Shifting from a functional orientation to a process orientation is a difficult cultural change (Harrington, 1991). "Changes in the process implicitly change company's culture and behaviour patterns" (Garvin, 1995). It makes the shift to processes so difficult (Garvin, 1995) since "culture cannot be mandated; instead, it has to be formed over time through continual reinforcement" (Garvin, 1995). Finally, the culture of experimentation is an essential part of a successful process-oriented organisation. Thus all participants should be prepared to cope with mistakes and errors during the process (Armistead et al., 1999).

3.2.6 Organisational Structure

An organisational structure that provides mechanisms for accountability and ownership of strategy formulation is critical for successful alignment (Broadbent & Weil, 1993; Henderson & Venkatraman, 1993; Luftman, Papp and Brier, 1999). Furthermore, a formal and clear definition of jobs and responsibilities is required (Talwar, 1993; Al-Mashari & Zairi, 1999; Davenport and Short, 1990) because BPM results in a major structural change in the way people work in the organization. Cross-functional teams are critical components of successful alignment of Business Processes with strategy (Al-Mashari & Zairi, 1999) because linkages need to be kept among activities in several functions.

3.2.7 Information Technology

As a process enabler, the information technology is pervading business processes, thus enabling process efficiency and effectiveness (Porter, 1985). Indeed, IT holds information, fastens communication, provides new ways of making business (Porter, 1985) and helps rethinking how and where processes intersect (Garvin, 1995). As such IT has a support function for business processes. The critical aspects here are: Alignment of IT infrastructure and BPR strategies, Building effective IT infrastructure, Adequate IT investment and sourcing decisions, Increasing IT function competency, Proper information system integration (Al-Mashari & Zairi, 1999).

3.2.8 Performance Measurement

Henderson and Venkatraman (1993) argue that strategic alignment is dynamic and "not an event but a process of continuous adaptation and change". In this light the alignment of business processes with strategy need to be maintained over time by measuring performance at different levels of the organization, and for all alignment factors. Performance measures should be tied to strategy – measures on strategy, processes and people (Norton & Kaplan, 1996). Indeed, new Business Processes must be measured for factors such as time, costs, productivity, quality and capital, and then compared to the processes they replaced (Guha & Kettinger, 1993; Armistead et al., 1999).

4 VALIDATION OF SUCCESS FACTORS

In order to validate the success factors, and to give a

practical view of business process and strategy in SMEs we will present four case studies. The earlier presented alignment factors are elaborated these four case studies.

4.1 ARKITEKTKOPIA AB

ARKITEKTKOPIA AB is a franchise of the group ARKITEKTKOPIA. The group was founded in 1951 and has its head office in Stockholm. The two owners created ARKITEKTKOPIA AB in 1989. The company is specialized in printing building drawings for its customer. ARKITEKTKOPIA AB has widely introduced digital technology in its business processes around 10 to 15 years ago. A Customer Relationship Management System helps to share information about the customers among the 35 franchises in Sweden. ARKITEKTKOPIA AB has been continuously using information technology to transform the way the activities are performed in the organization. Meeting the customer needs is a credo for ARKITEKTKOPIA AB; the owner argues "We follow what the customer wants; we listen to our customers".

It is very important to ARKITEKTKOPIA AB to keep the fit between strategy and business processes. By doing so they improved customer satisfaction, "customers can go one step further". Alignment between strategy and business processes is reducing costs and the delivery times to customer in ARKITEKTKOPIA AB. Moreover alignment makes the quality higher than before.

4.2 Intersport Jönköping-AREA

Intersport Jönköping-AREA is an entrepreneurial company created in 1988. Intersport Jönköping-A6 has a local vision or strategy adapted to its market. However the Headquarter in Gothenburg provides the local store with marketing support. The information system is not modern and the Headquarter had planned to launch a new one in October 2010.

Although the information system is quite old and not integrated to all business activities, IT is very important to the organization. By integrating a completely new system, the intention is to higher efficiency and effectiveness in business operations. The main goal is to make customers satisfied, they should get "first class experience" when they leave the store. The ambition is for the customer to have a positive experience, with both counselling and sales. The challenge is now to keep a horizontal structure wile coping with flexibility, speed, and closeness to customers. The shift to a horizontal structure, has also affected the management system. It is very important to Intersport Jönköping-AREA to sustain a fit between strategy and business processes because it ensures a first class service quality to the customer. The alignment between business process and strategy is a goal that has not been completely achieved by the unit. With a customer focus, Intersport Jönköping-AREA has improved customer orientation, increased profits, reduced the delivery time of products and improved the quality of service. But however the big issue in Intersport is the lack of good information system to support all business activities.

4.3 Handelsbanken

Handelsbanken is an international group founded in 1871.The primary goal of the group is to "have better yield on its own capital". The groups focus on continuously improving customers' satisfaction and lowering costs. Handelsbanken has had higher profitability than its competitors over the past 38 years. The bank office strongly focuses on corporate policy, culture and an effective financial system. Each bank office is responsible for its own capital, profits and customers. Aligning business processes with strategy is very important to Handelsbanken. This alignment process has provided the bank office with all BPM advantages. Handelsbanken Jönköping has improved customers' satisfaction and reduced costs. IT investment and support roles are highlighted. IT accuracy and speed in information processing enhances service quality and profits.

4.4 Flintab AB

Flintab AB is a company established in 1981. Flintab AB is specialized in weighing systems for industrial applications. One important feature in Flintab AB is its internal core competences in Information Engineering. This means the company is able to develop and maintain business applications. It becomes less costly to Flintab AB to improve its IT/IS but the employees tend to forget the costs, profits and internal revenues.

Flintab AB has been a precursor in the use of information technology. IT is a support asset that enables business processes. IT is very mature and integrated, workforce, product development, financial are all integrated in the same system. As far as users have more knowledge about the requirements of the product. Flintab has changed their system to user-driven (individual user of the

product). The goal has mostly been to achieve higher performance in the business operations, to reduce costs, to leverage the user of technology in support of the transportation system, the reporting system, the development and the sales systems.

It is very important to Flintab AB to maintain an alignment between business processes and strategy. This is mostly achieved by the integration of all business applications into the same system. There is a strong focus in converging all the business applications and the CRM system. Sales and development processes are integrated and the processes are quite cross-functional. By aligning the process with strategy Flintab has improved customer satisfaction, increased profits by 113% in helpdesk for example. The quality of service has been enhanced with a better response time as a result of the use of mobile technologies such as PDA, introduction of a scan system, and a First-in First-out (FIFO) system in warehouse management. The alignment has proven to increase the return on IT investment, indeed it improved the use of IT in support of business processes. Thus further development will be to introduce a CRM system and provide a SAAS capability to the customers.

4.5 The Differences and Similarities of Alignment Factors in Four Companies

SMEs have been asked to estimate the importance of each alignment to their organization, and how successful they were in addressing them, according to their experience in managing business processes. The table below summarizes the answers given by each company.

5 DISCUSSION – REFINEMENT OF FRAMEWORK

In this chapter, we discuss and analyze the framework with critical factors developed in section 3 and the empirical findings in section 4. We first discuss how SMEs manage to keep fit between business process and strategy over time. Then we explain why some factors are more important than others to SMEs investigated.

5.1 The Nature of Business Process and Strategy Alignment in SMEs

Alignment of business processes with strategy refers

Table 1.

	ARKITEKTKOPIA AB	Intersport Jönköping-AREA	Handelsbanken	Flintab
People Communication, behaviour, competence development, resistance to change, involvement	Very important	Very important	Very important	Very important
Information Technology Building an effective IT infrastructure, Adequate IT investment and sourcing decisions, Increasing IT function competency to your organisation	Very important	Important	Important	Important
Performance measurement Strategic measures on different perspectives (*customer, financial, process, people),* qualitative and quantitative measures, continuous improvement through measures	Neutral	Neutral *Not a reality*	Important *Only on financial and customer perspectives*	Important
Management Commitment, sponsorship, and management system and values development	Very important	Very important	Neutral	Important
Organizational culture The shift to a culture of experimentation	Important	Very important	Very important	Important
Organizational structure Definition of jobs and responsibilities, definition of cross functional teams	neutral	Important	Neutral	Not important

to the extent to which business processes are supporting the organisation strategy. Venkatraman (1993) argues that "alignment of business and IT is a process and not an event". Our study shows that process and strategy alignment is not a one-time endeavour; it is rather a process of continuous and incremental match of the execution of day-to-day activities to strategy. For instance, Flintab AB is continuously improving its transportation system, its sales system with the introduction of a CRM tool and its procurement process with a real assessment of storage value. Handelsbanken Jönköping, despite its integrated system and an execution of business processes that serves business strategy, has launched a dematerialization project to speed up the financial operations and achieve higher performance.

Besides, the alignment of business processes with strategy is sometimes technology-driven. IT opportunities enforce managers to rethink the way they operate and their relations to their customers (the technology potential perspective in SAM). For example ARKITEKTKOPIA continuously introduces new technologic channels, like iphone applications and facebook applications, to market their products. The introduction of those new channels alters some parts of business processes since there is a need for technology integration and organisational integration through reorganisation of business processes.

5.2 The Most Important Alignment Factors

5.2.1 Human Factor

People are important for process effectiveness, not only because they perform business activities, but also because they come with assets such as jobs, skills, knowledge, behaviour, and culture which are needed to improve process efficiency. So then, all SMEs investigated agree on the fact that people are very important; they even come to be the most important alignment factor.

With the shift to a new process-oriented organization, there is a need to re-skill and train staff so that they get a good knowledge of the new working procedures. Besides, communication about company's goals, "why" and "how" things need to be done in another way, has proven to be crucial in all SMEs investigated in order to get people involvement. Nevertheless it is tricky to deal with people's job and behaviour especially because "*People are not programmable*". Thus brainstorming process improvement alternatives and recruiting new people help to get global agreement and then avoid resistance.

5.2.2 Information Technology

In our study, IT should be a process enabler. IT supports the execution of business operations; thus it is located at the highest level of importance in the organization in order to align process with strategy. A key for operational effectiveness and service level (quality of service and product quality) improvement is proper system integration. Integrating the quality system, the customer relationship management system and the enterprise system (ERP) improves customer service (Flintab AB).

However all SMEs are not successful in addressing IT factors, for instance because it requires headquarters' decision and approval (Intersport Jönköping). Besides, addressing IT investment and sourcing decisions is challenging because technology is evolving very fast (ARKITEKTKOPIA AB). Some technologies become obsolete before the return on investment is achieved; thus increasing IT costs. IT is then viewed as a source of costs despite its undeniable importance in business processes. Therefore strategy-driven sourcing decisions are important. A SAAS model can be used when few people are concerned with a new feature (the CRM system in Flintab) or to reduce IT investments costs (Handelsbanken sourcing model).

5.2.3 Organisational Culture

Culture is very important to SMEs even though it is sometimes a barrier to change. In fact culture is implicit and in the head of people. Therefore it is powerful to achieve small successful results. This is an excellent way to deal with cultural barriers (Flintab CEO).

Nevertheless culture is also a facilitator in process and strategy alignment. An emphasis on "*team orientation*" with keys words like *teamwork, passion and respect* (Handelsbanken Jönköping, Intersport Jönköping-AREA) enables collaboration. It is a weapon to keep processes working in a good way. However the challenge remains to stay offensive and creative since each improvement is in the pin of the group.

5.2.4 Management Commitment and Support

The four cases show that management is important for successful alignment. SMEs highly value soft

skills, thus we can claim that they are "soft companies". They tend not to be bureaucratic, since top management and operational employees communicate informally. For example the ARKITEKTKOPIA Company believes in a management that consists of describing why and how internal people should do their tasks. In the Intersport, managers motivate people in their activities so that they can work better. Also managers communicate with operational staff during meetings and through interpersonal communication. In the Handelsbanken also, management commitment is a success factor for process effectiveness. In some organizations like Flintab AB sponsorship is the most important management aspect to get things done.

5.3 The Factors with Less Importance to SMEs

5.3.1 Organisational Structure

Based on our study, Structure is not as important as the previous factors. Of course this is one factor that is essential for aligning process with strategy but given the size of an organization and their processes it is either neutral (Handelsbanken) or not important (Flintab AB, Intersport Jönköping-AREA and ARKITEKTKOPIA AB).

5.3.2 Performance Measurement

The empirical assessment shows that performance measurement is not used for process improvement as mentioned in the literature. To tie and align measures with strategy, only Flintab AB values the use of BSC because it is simple to update and it can be modified with high frequency. It also helps to align different activities in the organization.

Performance is measured on financial and customer perspective but measures on processes are almost not a reality. Thus performance measurement is not a lever for process improvement for all four cases.

6 CONCLUSIONS

The aim of this study was to come up with the factors practitioners and researchers in the field of Business Process Management (BPM) should pay attention to while aligning business processes with business strategy in SMEs. In order to sustain alignment between business processes and strategy, SMEs give importance to factors such as IT, people, culture and management. In fact business processes support a good information system that facilitates the information flow, which enables process automation, and increase process efficiency. Besides, people are very important because they make processes work. Even though culture is generally a barrier, it can be broken through successful improvement. Besides it can also be a facilitator to make people work as a team. And Management enables processes by a good communication, especially informal communication. On contrary, because of their small number of employees, SMEs do not give importance to organisational structure. And performance measurement is not an important alignment factor to SMEs as well. Nevertheless performance measures are done on financial and customer perspectives.

This paper contributes to the current research in strategic alignment by investigating the success factors for business and process alignment in SMEs. Because various industries are subjects of the research, the usability of the research to other SMEs is widened. Nevertheless, this heterogeneity is also a limitation because the criticality of information flow in the banking industry affects process maturity, when a small retailing company can survive without well defined processes. Thus the importance of alignment may be different in those industries.

As discussed in the method chapter, the method used (multiple case studies) is powerful to draw generalization, by replication. The results of this research can be then analytically generalized to SMEs located in Jönköping. However, using interview as a strategy for case study evidence collection has limited the analysis. It has been impossible to gather in-depth evidence on "how" and "why" some alignment factors are more important. Thus without an in-depth study more investigation is necessary.

This study has mainly investigated the importance of alignment factors in SMEs. Within the limited time in companies, it was not possible to examine the relations between alignment factors. A further research could be performed on that matter.

This research has validated some business processes and strategy alignment factors and their importance. However the interrelations between success factors and their individual impact to successful alignment of business processes with strategy could be issued in further research.

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