IT Strategic Planning Overview
by Ron Raumer

Introduction

Why develop an IT strategic plan?

More is being spent on information technology today they ever before. Companies are combining business strategy and Internet technologies to create innovative digital strategies, new business models and sophisticated e-business systems. The burgeoning number and dizzying array of technology solutions are being networked together, interfaced to legacy system and now linked via Intranets and the Internet to partners, suppliers and customers.

But are these organizations getting their money's worth? In these difficult economic times, executives are seeking the answer to this question and several others:

- *How can we ensure that our use of information technology is aligned with our business strategies, goals and needs?*
- *Is IT contributing significant value to the business?*
- *Which of the profusion of information technologies and architectural choices should we select?*
- *What technologies do we need to maintain competitiveness?*
- *How much should we spend on IT?*
- *What are our technology priorities and how should we allocate resources?*
- *How do we coordinate technology across the organization?*
- *How should our technology function be organized and managed?*

With an enterprise information technology strategy and information architectures an organization can answer these questions and effectively use its IT investment in people, organization, skills, processes, and information technology to contribute to achieving its business goals, rather than working at cross purposes.

Our IT Strategic Planning Service

The R&A Information Technology Strategic Planning Service addresses these questions through a practical proven three-phased approach:

1. Where are we today?
2. Where do we want to go?
3. How do we get there?

We use a process consulting orientation to guide our clients through the three phases. We emphasize client participation throughout by utilizing structured workshops as the primary forum for developing the strategy. The workshops promote organizational learning and they build team consensus in the construction of the strategy and momentum toward its deployment.

Our Approach

Highlights of the R&A approach follow:

IT Strategic Planning Overview

Phase 1 - Where are we today?

Information Technology Capabilities

First we gain an understanding of the organization's current internal information technology capabilities. We do this by answering the following questions: How well do current applications, hardware and networks support the business? Is the structure, staffing and skills appropriate to meet the information technology needs of the organization? Are the IT management and business processes adequate? What are our guiding principles with regard to IT decision-making? Are the IT expenditures appropriate?

IT Trends and Competitors

After we understand the organization's internal IT capabilities we look externally. We ask: What are the IT trends? How are our competitors using IT? And how do we compare? Can we gain a competitive advantage through the use of IT? Are we headed in the same direction as our industry and, if not, why?

Phase 2 - Where do we want to go?

The Business Context - Current and Future

The next step has nothing directly to do with information technology, but it is critical nonetheless. In this step we develop an understanding the current and future desired state of the business. This is done at a high level identifying only the key elements which have significance in crafting the IT strategy. It may include understanding the business mission, vision, objectives, critical success factors, and business processes. In some organizations the current and future state is well understood and documented, in others it is not documented but implicit in the plans and actions of the enterprise, and in some it must be constructed. The future business state becomes the focus for and "drives" the entire IT strategy.

IT Business Opportunities

In this step we identify potential uses for the deployment of IT throughout the enterprise which support getting to the future business state. These include opportunities for implementing new application systems and information technologies that often replace existing systems. In addition, it may include opportunities to enhance the IT infrastructure of networks, servers and client workstations.

IT Strategy, Principles and Information Architectures

The difference between current IT capabilities (Where we are today) and the future desired business state (Where we want to go) is the gap. The IT strategy is developed to close the gap between capabilities and opportunities. We identify the few significant IT strategic directions that the organization will emphasize and focus on in order to close the gap.

We also develop high-level information architectures or blueprints for the future deployment of integrated applications, databases and technologies. This step includes defining IT principles that the organization will use as a guide in making future IT decisions.
We use the following definition of strategy from the writings of James Brian Quinn of Dartmouth

A strategy is a plan that integrates an organization's major actions into a cohesive whole. A strategy allocates an organization's resources into a unique and viable posture based on relative

internal strengths and weaknesses, anticipated changes in the external environment and contingent moves by competitors.

Phase 3 - How do we get there?

Closing the gap requires developing a transition plan of projects and resources and a change management program.

Transition Plan

The transition plan is developed by defining the initiatives, the projects and the resources necessary for successfully implementing the strategy. It uses the opportunities identified in Phase 2 as a basis. The initiatives and projects to be undertaken are prioritized and scheduled over the planning horizon, using an agreed upon set of evaluation criteria. Initiatives and projects typically involve implementing new or replacement software applications and often also include IT infrastructure projects such as upgrading networks, servers or other technology components.

IT Change Management Program

Lastly, a change management program is developed. It describes the actions required to change the capabilities of IT as necessary to close the gap. Changes may be required to the IT organizational structure, staffing levels, skill sets, levels of outsourcing, IT business processes or even to the IT values, mission and culture.

In addition, a change management plan is developed to communicate the changes to those impacted and to involve them directly in the change process. This helps those in the organization absorb the change, it lessens resistance and it builds support and momentum toward successfully implementing of the strategy.

Conclusion

Strategy then is a match of what an organization "can do" versus what it "might do".   Strategy closes the gap between where we are today and where we want to be.   If the gap is not closed, the result will be missed opportunities, unrealized expectations, wasted resources and frustrated users and IT staff. So the benefits of an IT strategy are that it:
- Provides a roadmap for closing the gap and getting us to where we want to be,
- Aligns the IT function with the business direction in three ways:
    1. Provides alignment through coordination, perseverance and concentration of IT effort toward a shared set of business goals and objectives,
    2. Aligns IT with the needs of its customers and stakeholders,
    3. Aligns the uses and directions of IT by each department with each other.
- Builds consensus and commitment to the plan because all key stakeholders -- departments and IT staff -- are involved in the process,
- Enables IT to make a "strategic" contribution to the business; positions IT to make a significant impact on the company's key strategic thrusts,
- Instills an IT strategic planning mindset into the company's culture, and
- Builds momentum toward implementing the plan and realizing the intended value from IT.

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