

Introduction

In a 2002 survey Cutter Consortium found that 39% of IT groups had no formal IT strategy at all. The survey also found that 1/3 of the survey respondents had no business strategic plan either. When everything is stable in the business and in technology, then you could make the argument that there is no need to expand the work to create a strategic plan for IT and processes. However, either due to business dynamics or technological change, this has seldom been the case. It is not just the benefit of the planning, but the harm and impact if business process and IT strategic planning is not done.

At the other extreme are the firms that generate strategic IT plans of over 100 pages. Is long length good? Probably not. Why? Because too much effort was consumed in the planning. Moreover, it is more difficult to use such an extensive plan. Often, these just end up sitting on the shelf. A related problem is that if the plan is too long, then it will take a major effort to update the plan. That is why our goal is to give the methods and tools to create a realistic plan in less time and one that is shorter, is more usable, and can be updated easily.

To show the growing importance of a strategic IT plan, consider the American federal government. The Paperwork Reduction Act of 1995 specifies that agencies shall “develop and maintain a strategic information resources management plan that shall describe how information resources management activities help accomplish agencies’ missions.”

10 Reasons Given for Not Planning

From consulting and doing over 75 strategic IT and process plans, we have heard a variety of reasons for not developing or doing a strategic IT plan. Why start this book this way — in a seemingly negative way? Because many of you will have to justify the planning effort.

Reason 1: We have never carried out an IT planning effort before

Lack of experience is a reason commonly given. However, there are too many benefits to taking on the planning effort as discussed in a later section. Moreover, using the approach in this book you can develop the plan quickly and logically and gain management, user, and IT support.

Reason 2: We are doing fine without the plan

Without a plan work requests from management and users come in without structure or coherence. The IT group tends to be reactive and not proactive.

Reason 3: Our business does not even have a strategic plan.

So why have a strategic IT plan?

In the example in Chapter 18, there was no business plan. Just because this does not exist is no reason not to do the strategic IT planning. After all, many organizations have standardized processes that have not changed in years. The strategic IT and process plan can enhance business performance through the processes.

Reason 4: We tried doing a strategic IT plan before and it failed

This has been encountered often. One of the early tasks in any planning effort is to gather information on past efforts and assess what worked and what didn't. Just because a past effort failed is not a reason not to try again. Here is a political tip. You often should market the plan as a way to head off problems similar to those that occurred in the past.

Reason 5: We are an organization with very limited IT resources so we cannot afford to do planning

A number of the strategic planning efforts we have helped with or carried out involved an IT group of less than 10 people. A small or stretched IT group needs a strategic IT and process plan as much or more than larger organizations to help structure and control the IT work, given limited resources.

Reason 6: We don't have the expertise to do the planning

If we were proposing a complex method, then this would be valid. However, the approach in the book is common sense, jargon free, and can be started as you read the book. One can argue that having a great deal of experience can inhibit the effort by giving too much structure.

Reason 7: We cannot afford a consultant to do the planning

Many people think that you need a consultant to develop the plan. While we have helped to develop many planning strategies, we have also initiated plans using the method in this book. We have even

provided chapters of the book to individuals who then developed their own plans. Remember if you do it yourself, you own it and are more confident in it.

*Reason 8: We have a very standard IT environment
and do not require a strategic IT plan*

A number of IT groups support standardized computing and technology environments — so why do planning with such stability? The strategic IT and process plan goes beyond the systems and technology, and encompasses processes, user requests, and alignment to management and the business.

Reason 9: We are too busy to carry out the planning effort

Busy people tend to find the time to do additional work through time management. The planning approach here is NOT a full-time effort. Planning is most successful when there is a great deal of coordination. We have seen many project leaders develop the basic plan rather quickly in addition to their regular work.

*Reason 10: We did a plan and it was approved. But then no one
paid any attention to the plan*

This is a common problem. It happens in other areas as well. It is estimated that 10% of the books purchased are never read. So, how can you ensure that this planning approach will work when the last one failed to deliver results? One reason is collaboration. Another reason is the generation of quick, short-term ideas that can be implemented during the planning effort without management approval. This then generates support for the plan since they see results prior to approval.

Why Do Strategic IT and Process Planning Together?

There are many books on strategic IT planning. There are fewer books on strategic process planning. Why combine them? More fundamentally, what is the value of IT? The value or worth of IT is a subjective concept. Some think IT's value lies in competitive advantage, cost savings, efficiency of the business, business flexibility, and agility as measured through a mixture of performance measures or Return on Investment (ROI). What do all of these things have in common?

The value of IT lies in its contribution to the business through business process performance and use of knowledge and information for cumulative improvement.

From this discussion it is clear that process and IT performance, management, and planning are closely related.

Who delivers the value of IT? IT alone? No. Experience reveals that IT can deliver systems, projects, and capabilities on-time and within budget. But to what end? If the business does not change to utilize these capabilities, then it is wasted. That is why much IT efforts have resulted in little tangible benefit. A corollary to this has been the theory that it takes time, maybe over a year before the benefits of an IT project are realized. One theory that has been advanced is a W-shaped graph (see Figure 1.1, Chatterjee, D. and A. Seagars, Presentation to SIM Advanced Practices Council, Chicago, 2002). In this chart the value of the work declines after initial implementation. Then simple, easy changes are made to the business (stage 2), leading to the capability of handling additional complexity (stage 3). The final stage that delivers value is to make the business simpler. Sound familiar? Accepting this leads to overall lower IT value due to the elapsed time required to realize the benefits of the IT investment.

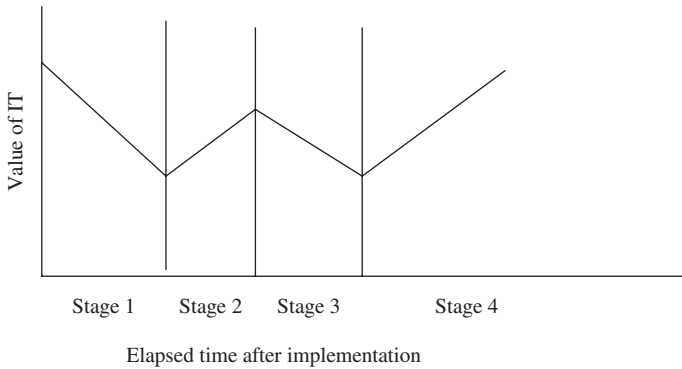


Figure 1.1 Delivery of IT Value after Project Completion.

To realize the value of IT faster without this delay, it is necessary to more closely link IT to process management. The area of focus of this book lies in joint IT and process planning. Not included here is the linkage of process change and IT project and work performance. This was addressed in *Breakthrough IT Change Management* (Lientz, 2003).

What are the Objectives of the Planning Effort?

One short-term goal is to complete the plan on time and within budget. This is much too narrow. It neither addresses implementation of the plan, nor does it include measuring results. Also, it does not include the on-going planning effort.

Here are some desirable and realistic objectives.

- The plan action items, strategies, and objectives should point to measurable, substantial business benefits through the processes.
- The plan must be understood and supported by management and employees.
- The plan should lead to more effective internal IT processes and infrastructure so as to increase IT's ability to support strategic business initiatives and operations.

- It should be easier to develop successive strategic IT and process plans in the future, based on experience and lessons learned.
- The plan should result in greater control of IT resources so that more effort is devoted to supporting strategic business goals.

Overall,

The purpose of IT and process planning effort is to enhance business performance and agility through the improvement of business processes and IT systems, technology, and resources.

This is a very tall order. What does it mean? First, it means that the planning process must generate political support for both the plan and IT. Second, the plan must indicate both short- and long-term efforts that improve the business as well as IT. Now look at the last point. Experience has shown that in the absence of a plan, IT tends to be reactive to the business. With the plan, IT has the opportunity to be proactive. How is this achieved? Through the channeling of some IT resources toward projects and work of strategic importance as opposed to maintenance and operations support. In addition, this reveals that strategic IT and process planning must include resource management and allocation. After all, you can develop a great plan, but without resources it dies.

There is also a negative objective. What happens if the plan is not done? A common answer, from experience, is that there will be maintenance and enhancement work. IT will perform tactically fine. The systems “run on time.” Projects are completed on time and within budget. However, it won’t have much of an impact since some of the key strategic business needs were not addressed.

Benefits of Strategic IT and Process Planning

A key benefit of joint IT and process planning is to enable the delivery of more rapid benefits of IT to the business through process change. In other words, to shrink or eliminate the graph in Figure 1.1.

Process planning is carried out on a rare basis. Why? Essentially, for the same reasons given at the start of this chapter. However, processes and IT are very closely related. Thus, the IT plan is more credible and realistic if it contains changes to the business processes joint with future IT work. Linking them together ensures that process planning occurs. Moreover, including process planning helps to make IT objectives, strategies, and action items more realistic.

IT systems are multifunctional and complex — requiring planning. It logically follows that implementing new or modified processes to fit with the new systems requires planning. Another reason for linking.

But there is another basic benefit. When management reviews and approves a strategic IT-only plan, what do they expect? Obviously, they expect the benefits cited in the plan. How can the benefits come true if there is no strategy for process change? Thus, combining IT and processes in the strategic planning process gives more credibility to the plan and serves to explain HOW the benefits will be achieved.

The strategic IT and process plan can help address some of the common complaints about IT from the business. Here is a list of complaints cited in the literature.

- IT is not working on the right things. The plan reveals the alignment of IT to the business through the processes.
- The value of IT is questionable. By including the processes, you more clearly show the benefit of IT to the business.
- IT takes too long to implement projects. Since process change is included in the plan, it is clear that the implementation time extends due to the process work.

- IT is too rigid. By showing the current business issues and objectives, and then mapping IT objectives, strategies, and action items to these, you can demonstrate that IT is current and flexible with respect to business needs.

What is Success?

One answer is that you complete the plan on time and within the budget. A successful project, right? Wrong. This does not ensure that the plan is even read or used. Our definition of success is broader.

As a result of the plan, action items are completed that generate tangible benefits to both the business and IT and improve the alignment of IT to key processes and the business.

This is very ambitious, but necessary. In order to achieve this success, the following have to be achieved.

- Understanding and support of the plan and planning method.
- Allocation of resources to the planning action items.
- Successful implementation of both the short- and long-term action items of the plan.
- Measurement of the results of the action item implementation.

But here is the dilemma. No person involved in planning has the power or authority to ensure that success is attained. This means that the planning method and planners have to be political and work to gather support and enthusiasm for the plan, and especially the action items. This is proven in their support or lack of support for resources to be allocated to the implementation of the action items.

What is Realistic IT and Process Planning?

Many IT and non-IT planning methods assume some or all of the following:

- There is plenty of time to do the plan.
- There are dedicated people to do the plan.
- Consulting help is available.
- You have time to study a planning method in-depth or take seminars and classes in planning.
- Management supports the planning effort.
- It is easy to gain participation in the planning effort.
- You need to follow a number of formal steps in a sequential order.

Get real! In the real world we have found that:

- The planning effort is under great time pressure due to other work and the timing with respect to the business plan.
- Any and everyone involved in the planning effort has other work that is often pressing and viewed as more important than the planning work.
- There is often no consulting budget for the planning.
- There is also often no resources or time for in-depth learning.
- In reality, many business managers do not really understand IT. They see it as just another department. So, why have the plan when the average department does not have the plan? We have found that most managers tolerate the planning effort as long as the other work gets done.
- People in the business departments and IT are busy. This is one reason for them not wanting to participate. Another reason is that they do not see the benefit or self-interest to participate.
- In many business and IT activities, it is necessary that steps be undertaken in sequential order. This can be a killer in strategic IT and process planning. You want to do as much of the work in parallel.

The Timing of the Strategic IT and Process Planning Effort

As they say, “Timing is everything.” Can you just do the planning anytime? Not if you want to maximize the impact and benefit of the planning effort. Let’s take a common example. Suppose the business fiscal year starts on January 1. Backing into this date means that the strategic business plan must be completed to allow time for budgeting and more detailed operational planning. So let’s say that the business plan is approved on October 1 of the preceding year. Now, you need to consider how much time will be needed to review and approve the strategic IT and process plan. Let’s assume three months. This would mean that the plan should be completed by July 1. Thus, there is a six-month time period from the start of the fiscal year. This gives sufficient time to get project ideas into the budget.

How do you know about the projects and other work six months in advance of getting started? That is part of the reason for the plan. The plan is strategic so the project ideas generated are also strategic. They and changes to the related processes will be implemented through the plan.

In fact, we have found that the strategic IT and process plan is just one of four key IT documents and presentations that IT should provide management. The other three are:

- ***Report on the results of the IT work and performance.*** This could politically best be done by October 1. Why this date? So as to influence the budget process.
- ***Technology and process assessment.*** This is an evaluation of the internal systems, technology, and processes as well as new technologies and systems available and relevant to the business. This could be done by April 1. This serves to stir up interest in IT work and in the plan.
- ***Resource allocation of IT resources.*** This is the prioritization of resources across all IT activities — development, maintenance, enhancement, operations support, and so forth. This could be given by January 1 just as new year begins.

As you can see, timing is very political. It is like being a director of a movie. You control timing but not the cast or the budget.

The Relationship between IT, Process Improvement, and Change Management

People often see these three things as separate. Companies have wasted a great deal of treasure and time in doing these separately. Look at the failures of Six Sigma, Re-engineering, and Total Quality Management. While there have been some successes, their failure has often stemmed from a lack of linkage to IT and change management.

Here is the logical connection and reasoning behind joining the three.

- To get IT results and benefits, you have to most often change the process as well. This relates process improvement to IT.
- You can improve a process with systems, but there is still a problem. Many people resist change. Moreover, after the new process and system are installed, the actual work sometimes reverts back to the old form. This is due to many factors including resistance to change, the need for senior business users to regain power, and habit. “Old habits die hard.” This ties in with change management.

Change management serves as an umbrella for IT and business process strategic planning. Project management provides the guidance to achieving the change. IT, process improvement, and business process management (BPM) are all factors involved in the change effort.

The Risks of IT and Process Planning and What Can Go Wrong

Let’s recap what we have so far. There is both benefit and need for linking IT and processes in strategic planning. There should also be

a highly organized approach. Why? Because from experience there are many risks in planning. Here are some of the ones surfaced in prior planning efforts.

- Management expectations are raised. The objectives and action items in the plan should be good. The benefits are great. However, it will take many more steps to realize these including fighting for resources and doing the work.
- The planning effort seems to drag out. There are waiting periods for reviews and feedback. There is the need to gather information from people who are busy.
- There are such limited resources that even with a winning plan, there is only so much that can be done.

Developing the strategic plan is a major piece of work — even if you have done it many times. This is due to the risks mentioned.

Treating the Planning Effort as a Program and Project

Given the above risks, it makes common sense to treat the planning effort on a single time as a project. Over years the planning effort then becomes a program. Yes, yes, so what? Turn now to the structure of project management. In a project, you have to define your goals. Basically, there are four dimensions to consider:

- **Technical goals** — carry out the planning effort in an efficient and cost-effective manner.
- **Business goals** — ensure IT aligns with the business that through the achievement of the plan strategies and action items improve business performance.
- **Political goals** — get the plan approved and the implementation of the plan completed.

- **Social goals** — use the planning effort to build collaboration and communications with management and the business.

Now turn to scope. We have already included the key processes with IT. From the previous section on planning objectives, we can also include resource management and allocation. Another part of scope is measurement. If we don't measure where we are now, then even if the plan is wildly successful, we won't know how much it is so unless we measure.

Another area of project planning or the project concept is that of roles and responsibilities. The role of the head of the planning effort or project leader is to coordinate the development of the plan. The key operative work is “coordinate.” This means that the project leader should not develop the plan alone, but should involve many members of management, IT, and the business. The more the better — up to a reasonable limit. Why? When people participate, they expend effort. They get involved. They begin to have a stake in and own the plan.

Next, we need to identify potential issues in doing the planning. Figure 1.2 contains a list of numbered potential issues. We hope that you will not encounter all of these. But if you list them ahead of time, before they appear, you will be more prepared.

The benefits of the planning effort have already been addressed. The costs are labor hours and the opportunity cost of not being able to deploy the time absorbed in planning other activities.

1. Deal with high management business expectations.
2. Cope with the limited available resources for planning.
3. Get all of the planning issues and opportunities.
4. Get people involved in the planning process.
5. Measure the improvement due to the plan.
6. Control resources consumed in support, maintenance, and related activities so as to pursue the action items of the plan.
7. Gather process information with limited resources and time.

Figure 1.2 Potential IT and Process Planning Issues.

A task template is given in Figure 1.3. A template is a set of high-level tasks and milestones. Later, we will examine all of the tasks in this template. The purpose of putting it here is to give you a starting point for your planning effort. Get you off the ground running, so to speak. Note that a more detailed plan is given in Chapter 5.

- | | |
|-------|---|
| 1000 | Preparation for the planning effort |
| 1100 | Review past planning efforts |
| 1200 | Create an initial list of business processes |
| 1300 | Define initial lists for business issues, mission, vision, objectives, and strategies |
| 1400 | Create the planning project plan |
| 1500 | Develop lists of IT objectives, systems, architecture components, constraints, strategies, and action items |
| 1600 | Identify potential managers and employees for involvement in the planning effort |
| 1700 | Identify web and other planning resources |
| 1999 | M: Planning preparation completed |
| 2000 | Gather information on business objectives and issues |
| 2100 | Analyze the mission and/or vision of the organization |
| 2200 | Get initial feedback on the business objectives, strategies, and issues |
| 2300 | Prepare initial business planning tables |
| 3000 | Gather information on business processes and on the competition |
| 3100 | Identify problems with the current key processes |
| 3200 | Assess the competition |
| 4000 | Assess the current IT architecture, technology, and infrastructure |
| 5000 | Analyze business processes |
| 6000 | Assess the alignment of IT and processes to the business |
| 7000 | Define the issues and opportunities for the plan |
| 8000 | Determine the objectives and constraints |
| 9000 | Identify the strategies and actions |
| 10000 | Construct planning tables and relate IT to the business |
| 11000 | Create and deliver the plan |
| 12000 | Implement short-term action items of the plan |
| 13000 | Perform resource allocation to gain resources for the plan action items |
| 14000 | Implement the long-term action items |
| 15000 | Measure plan results |
| 16000 | Gather lessons learned and prepare for updating the plan |

Figure 1.3 Template Tasks for the IT and Process Planning Effort.

This is just the first version. We will expand on this later.

Here, the architecture refers to the ensemble of the hardware, software, and network components in use along with supporting technologies. The infrastructure includes the architecture as well as the support resources for maintenance, enhancement, and projects. Note that all tasks are numbered. This is for several reasons. If you number tasks and milestones, it is easier to refer to them and is clearer in meaning during meetings. Second, by having zeros in the numbering you can add more subordinate tasks. Third, the project management approach and template give you credibility by showing that you are organized.

For the planning effort to be an on-going program, there has to be a regular, standardized process for not only developing, but updating the plan.

The Need for a Realistic, Scalable Planning Method

What are the requirements for a planning method? Here is a list.

- The method should be scalable. That is, it can be employed by small and large organizations.
- The method should be neutral in terms of cultures and countries. This means that it can be applied anywhere.
- The planning method should be easily understood without jargon.
- You must be able to get up to speed in employing the method quickly. A few days, not weeks or months.
- You should be able to use the method without outside assistance.
- The method should be cumulative in construction. This means that the plan grows incrementally. This allows you to easily track status of the work and provide this to management and others.
- The method should result in a completed plan in a few months in elapsed time.

- The method should not require full-time effort or on-going substantial effort.
- The method should support updating the plan without a major effort.
- The method should result in a plan that includes short-term action items unrelated to project ideas.
- The method should be collaborative in nature to gain support and commitment from both management and the employees who will be involved and affected by the plan.

Our Approach in a Nutshell

The approach includes the following activities:

- Assess past planning efforts and gather lessons learned.
- Identify key business processes, systems, projects, and infrastructure.
- Collect information and build the project plan.
- Assess the business and competitive environment.
- Understand business strategies, objectives, vision, mission, and issues.
- Evaluate the technology, systems, and architecture.
- Analyze the processes and determine their alignment to the business.
- Define issues and opportunities for the plan.
- Determine objectives and constraints for the plan.
- Identify strategies and action items.
- Create lists and tables to map business and IT factors.
- Develop a vision for business processes and IT assuming the successful implementation of the plan.
- Produce the plan and market it and the method.
- Fight successfully for resources for the longer-term action items.
- Implement short-term action items.
- Implement longer-term action items.

- Measure the results.
- Update the plan.

Note that we purposely did not list these numerically since we want these to be in parallel to the extent possible.

A number of points must be explained more to have this make sense.

- *Lessons learned* are both positive and negative points that can be used not only in planning, but in operations as well. These are drawn from the business, the processes, the planning effort, and IT.
- *Vision* is the long-term view of where the business is headed. *Mission* is the directional approach to achieve the vision.
- *Business objectives* are general goals for carrying out the mission to achieve the vision.
- *Business strategies* is the intermediate term to achieve the business objectives.
- *Business issues* are potential and actual problems and opportunities that the business and its processes face.
- Because the plan includes both processes and IT, the issues and opportunities relate to both. The *issues* are potential or actual problems that need to be addressed. **Opportunities** are things that can be done to improve process and/or IT performance.
- *Objectives* (labeled IT objectives in the book to distinguish them from business objectives) are directional goals that cannot be achieved except through years of effort and many projects and other changes.
- *Constraints* are roadblocks to objectives. They are issues that cannot be changed, but must be dealt with or gotten around. Going beyond limited staffing and money, they include existing technology, the nature of the business, the competition, the locations of the firm's operations, culture, and politics.

- **Strategies** are major initiatives to take to work toward the objectives around the constraints.
- **Action items** are specific steps that can be taken in support of the strategies to address the issues and opportunities and work toward the objectives. They include much more than project ideas. Often, they encompass changes in policies, procedures, facilities, staffing, processes, and so forth.
- The **vision for business processes and IT** is what you see as the combined result of successfully completing all objectives, strategies, and action items.

Figure 1.4 gives a graphical representation of these definitions. Here, the thicker solid line represents the strategies while the thinner lines represent action items. As you can see, the objectives cannot get at or reach the issues and opportunities directly due to the constraints. Strategies are needed. However, strategies are too general to be actionable so we require the specific steps in the action items.

What are lists and tables? Lists include both business and IT factors. Here are the ones that we will use in later chapters.

- Mission or vision elements
- Business objectives
- Business processes

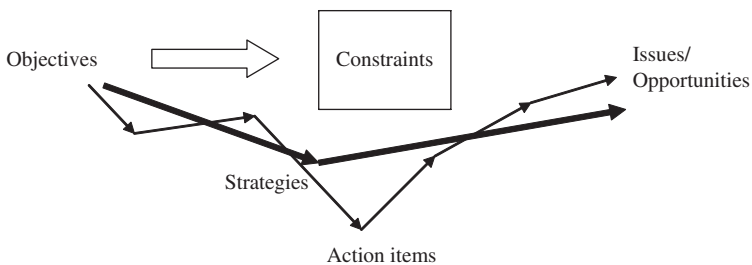


Figure 1.4 Graphical View of the Planning Elements.

- Business strategies
- Business issues
- Business departments
- Issues and opportunities
- IT objectives
- Constraints
- IT strategies
- Action items
- New IT and process vision
- Systems
- Projects
- Architecture elements
- Current work (e.g., maintenance, enhancement, and operations support)

A table relates one factor to another. There are three categories of tables. Business tables relate one business factor to another (e.g., business issues versus action items). The guts of the plan consists of the lists and tables. This is what you develop and what you update.

Another item in the list pertains to the vision of the business processes and IT. Often, in many plans there are detailed action items, and so forth. These sound good and make sense. However, management, employees, and IT staff naturally would like to know what this all summarizes up to after implementation. This is where the vision comes in. This includes the vision of how work will be done (the future process) as well as how the processes will be supported (IT and systems).

Now, return to the list at the start of this section. You see the activity of fighting for resources. Sounds crude and unnecessary, eh? After all, the plan was approved. Plan approval DOES NOT guarantee resources for the plan. In government, the legislature first approves the ideas (the plan). Separately and later, they approve funding (resources). It is often the same in business. Unfortunately,

most planning methods, articles, and books stop with the approval of the strategic plan. Too bad. In the real world this is when the fun is just beginning. Resources have probably been completely or over committed to other work and priorities. The result is often that no action is taken. That is why we devote an entire chapter to the resource allocation.

The next items in the list at the start of the section refer to implementation. There are two parts: short term and long term. Long-term actions include facility changes, major process changes, and projects. Short-term actions encompass items that can be accomplished without major resources, costs, or management approval as a separate item. Examples are changes in procedures, policies, staff assignment, project priorities, and the like.

The next bullet in the list pertains to measurement. You need to measure both IT and process performance before and after the plan. Otherwise, how could you tell if and whether the plan made a difference?

The last item is that of updating the plan. How often should you update the plan? In most organizations this is an annual exercise. Bad idea. There is too much change and dynamism in the business and IT to enjoy this luxury. If the plan is not updated more often, then it can become obsolete and lose credibility. A better approach is to do the update several times per year. You ask, "What about the effort to do this?" That is one of the benefits of the method. You first review with others the lists. With these updated, you construct updated tables.

Next question. How are these activities undertaken? The following are some of the main techniques.

- **Project focus.** The strategic IT and process plan is created, implemented, and updated using project management methods giving structure, consistency, and coherence to the effort.
- **Collaboration.** The person in charge of the planning effort is really a coordinator and facilitator — NOT A DEVELOPER.

While this role can include generating lists and initial tables, the key to planning success is to gain involvement of managers, business employees, and IT staff members — the more the better. You want grassroots support for the plan.

- **Constant marketing.** You have to not only see the plan and planning method you also have to market the individual elements of the plan, the struggle for resources and priorities, and the actual implementation. These things, even if common sense and obvious to you, are not at all accepted by people. Remember, any organization contains both inertia and resistance to change.
- **Parallelism.** The technique is to perform the steps in the list in parallel. For example, there is no reason why you cannot create the initial planning lists all at the same time.
- **Communications.** You should constantly communicate with management and key employees on the plan. They should have multiple opportunities for review. The sign of success here is that the actual presentation of the plan contains hardly anything new that they have not been exposed to.
- **Problem-solving focus.** Key to acceptance of the plan is getting results. Results mean changes. Changes target solving problems and exploiting opportunities.

Alignment — A Magic Word

Years ago, the word “alignment” pertained mainly to automobile tires. The new application of the term occurred to perceptions that IT, while providing systems and support, was not doing enough to support key business activities and initiatives. In short, IT was often accused of not being aligned to the business. That is, IT activities did not adequately address business issues or support business vision/mission, objectives, and strategies.

What is alignment of IT and the business? Alignment of IT to the business can be seen in three dimensions.

- Current work (today).
- IT projects (intermediate term).
- The strategic IT and process plan (long term).

To be successful, alignment must occur in all three time frames. Here is an example. In a major retailer, the IT manager had directed IT efficiently and effectively. Support was excellent. Projects were completed on time and within budget. The IT manager was named “manager of the year” by a professional IT organization. Sounds great, right? Alignment was superb in both current work and projects. Too bad for him and the organization. The company declared bankruptcy three months after the award was given. Why? Because the company had not kept up with competition in new e-technologies.

In many firms, people create wonderful strategic IT plans — strategic alignment. However, the same projects and support continue on. Strategic but neither operational nor intermediate-term alignment.

How do you analyze alignment? For automobile tires, you look at the wear of the tread after the vehicle has been driven some distance. It is similar with IT and business alignment. IT supports key business processes. This is where “the rubber meets the road.” Business performance is largely governed by the performance of key processes. Thus, you can assess IT alignment by considering performance *vis-a-vis* business processes. Here are three critical planning tables for alignment:

- Current work versus business processes. What is the distribution of support work across the processes? *Tactical alignment*.
- Projects versus business processes. What is the expected benefit and impact of each IT project on business process performance? *Intermediate-term alignment*.

- Strategic IT and process plan objectives versus business processes. What is the anticipated benefit of objective achievement on the processes? *Strategic or long-term alignment.*
- Strategic IT and process plan objectives versus business issues. What is the effect of achieving the objectives in terms of mitigating the business issues? *Negative alignment.*

Of course, for the plan, you could also consider strategies and action items in the same way. Negative alignment is often more important than positive alignment since business is often driven by problems today, rather than the long-term future.

Applications and Benefits of this Planning Method

The planning approach has been employed in over 100 organizations in 25 countries. It has been taught in seminars, classes, and through consulting. Applications have occurred in many areas, including:

- Government
- Manufacturing
- Banking and insurance
- Aerospace
- Telecommunications
- High technology
- Medical care and biotechnology
- Distribution
- Retailing
- Utilities
- Transportation
- Education
- Advertising
- Agriculture

- Shipping and logistics
- Cosmetics

There are a number of benefits of the planning approach. Here are some of the critical success factors of the method.

- The method works in many diverse settings.
- It delivers both short- and long-term tangible, measurable results.
- The method focus on both processes and IT to ensure that there will be benefits and relevance from the plan.
- The method is straightforward to use.
- The plan includes marketing and sales to ensure support for the plan and approach.
- The book contains many examples as well as guidelines and tips for doing work.
- The method and the book recognize the importance of political factors in planning.
- The approach is based on project management principles.
- The method is collaborative and provides for involving many different people and roles to generate support for change.
- The approach is not sequential so the plan can be completed faster.
- The method recognizes and deals with political factors such as resistance to change.
- The approach includes strategic resource management so that the plan can actually be implemented.
- The method provides for an easy way to update the plan.
- You know the status of the planning effort from the lists, tables, and involvement.
- The approach provides for measurement of both IT and processes.
- The method has been proven to uncover new opportunities during the planning process. Examples are given in Chapter 18 and other chapters.
- The approach does not require a long learning curve. Nor does it require a huge full-time effort. It is scalable.

How this Book is Organized

The approach for strategic planning is presented in detail in Chapter 2. The following 17 chapters proceed through the planning activities (no, not steps since this would be sequential). The first part of the book lays out the method and gives guidelines for communications during all activities. The second part focuses on information collection and assessment with the following chapters.

- Improve both formal and informal communications (Chapter 3).
- Analyze your past planning efforts (Chapter 4). This chapter discusses how to gather lessons learned from previous work.
- Collect information for the plan (Chapter 5). This includes both information gathering and organization as well as developing the plan for the planning effort.
- Assess the business and systems environment (Chapter 6). This is not an in-depth assessment since neither time nor resources are available. Rather, it focuses on the key processes, systems, and technology.
- Analyze processes and IT to determine their alignment to business goals (Chapter 7). This is important because it determines the relative importance of the processes in terms of positive alignment (business goals) and negative alignment (business issues).

The third part of the book covers the development of the plan:

- Develop issues and opportunities for the plan (Chapter 8). This includes IT and process-related issues and problems as well as new opportunities.
- Define objectives and constraints (Chapter 9). Objectives and constraints are best defined together. The constraints serve to indicate real world limitations faced by IT and the business processes.

- Create strategies and action items (Chapter 10). Not only are methods given for the development of strategies and action items, but many examples are provided.
- Develop IT and process strategic plans for key business units (Chapter 11). This is of importance to ensure that the overall plan maps into the business units — ensuring benefits from the planning work.
- Build and market the plan and method (Chapter 12). Here the plan is finalized and marketed.

The fourth part of the book turns to implementation:

- Perform strategic resource allocation (Chapter 13). This key chapter considers the process for allocating resources between projects, current work, and action items of the strategic IT and process plan.
- Implement the plan — short term (Chapter 14). This chapter deals with implementing Quick Wins during and after the planning effort. Examples are given here to suggest what to look for during planning.
- Implement the plan — long term (Chapter 15). This includes the project ideas generated by the plan as well as substantial policy and other changes.
- Measure planning results and update the plan (Chapter 16). Here we measure how we did. We also provide guidance on how to update the plan.
- Conclusions and actions to take (Chapter 17). This chapter sums things up and it provides a long list of specific actions you take to get going.

The last chapter (Chapter 18) presents a strategic IT and process plan that was developed by an Irish farming cooperative. This example is interesting in that it includes political factors, small IT organization, and limited time and resources.

At the end of the book are three appendices. These include:

- Useful web sites (Appendix A) which are drawn from experience.
- References (Appendix B) which includes both journals and books.
- Checklists and Tables (Appendix C) which is a summary of the key lists and tables in the book.

Each chapter includes topic specific material as well as the following:

- **Introduction.** This section relates the chapter material to the overall method and the other chapters. The purpose and scope are laid out.
- **Examples.** These are real-world examples and are in addition to the Chapter 18 example.
- **Lessons learned.** These are guidelines from past planning efforts to provide more on the “how” of the methods.
- **Politics.** Politics, resistance to change, and related topics must be addressed formally due to their importance and influence on the success or failure of your planning effort.
- **What to do Next.** These are specific things you can do after reading the chapter.
- **Summary**

Planning — Self-Interest

What is in all of this for you? It seems like a lot of work. Also, there is potential exposure if you screw up or fail. True, but there are benefits and the method here can reduce the risk of failure or problems. Here are some points to remember.

- Coordinating a planning effort means that you will have contact with a wide range of managers and departments. These can assist you in your career advancement.

- Doing a strategic joint process and IT plan gives you the opportunity to observe, assess, and understand key business processes. It is always valuable to know things work.
- The business and technology assessments provide you with a better understanding what is going on in the real world.
- Because you are using the incremental, collaborative approach, your chances of having problems or failing are minimized. In each area we provide examples (objectives, strategies, issues and opportunities, action items, and so forth).

Our advice is that if you are offered the chance to coordinate the planning effort, take it. Don't give up all of your regular work as you probably do not want to become a full-time planner. However, this staff role in larger IT groups has many benefits and can lead to the role of the IT manager.

Examples

Here is an example of an application of the method. A finance manager was given responsibility for IT in a large firm in Southeast Asia. He had no previous IT, project, or planning experience. Using the approach he developed the strategic IT and process plan and implemented 10 major projects so as to improve business profitability, reduce business costs, and improve overall business performance. He is now the CEO of the organization.

The example in Chapter 18 examines an Irish farming cooperative that was delivering marginal IT services and support. By doing the plan, the manager turned around not only IT, but also made a major improvement in the business to ensure its viability and growth.

Lessons Learned

This section is included in each chapter to give you more guidelines and tips for successful planning and implementation. Let's give a

major guideline that will be emphasized in the book. The word here is “fear.” Sounds negative, eh? Actually, it is positive in that using the fear of not doing the plan can gather more support. Similarly, for fear of not getting resources. When you implement change in processes and systems, you often encounter major resistance to this change. To cope with this, you should highlight the problems with the way things are and how they will get worse if the changes are not made.

This is not a new idea. Here is how it works in everyday life.

- For people who have a substance abuse, a key first step is to admit that they have a problem and that if it does not get addressed, life will be worse.
- A doctor uses fear to get patients to agree to an operation. After all, why would anyone want the pain, loss of income, potential infection, and so forth? These are all countered by the doctor explaining the impact of not having the operation.
- Parents want their kids to eat healthy food, like vegetables. Many learn that saying “These are good for you,” leads nowhere. Instead, they give the impact of not eating properly — weakness and poor health.
- Anti-smoking campaigns. The most effective ads are those that give graphic detail of the impact of long-term smoking.
- Car salespersons. While you can give lists and show the wonderful features of the new car, the key is to have the customer no longer want their current car. That is why most salespeople want to look over and appraise your current car. They want you to desire the new car by not wanting your current car.

The examples are endless.

Politics

IT and business processes are closely intertwined. Thus, it is important to examine the business departments. The common

department is composed of managers, senior employees, and other employees. The managers and supervisors rely heavily on these senior employees. They know the ropes. They have been there forever. They wield a great deal of informal power in the organization. You come along with a plan, a project, or some action that will improve a process in that department. Then you run into a wall of resistance. Management wants the change. The junior employees may support the change. The problem is with the senior business employees. We will call these people “king bees” and “queen bees.” They will lose their informal power through change. They will not be seen as important. They could be replaced. They see no reason for change since what they have done and do has remained unchanged and working for a long time. From surveys we have done and experienced, the percentage of these people who resist change can be as high as 80%. The lesson learned here is that each activity in the planning effort must be sensitive to this potential resistance.

What to Do Next

Sit back and see if you start to build some items for the planning lists. It might seem too early since we have not covered these in detail, but it will help you get thinking in the planning framework given above.

Another action is to get copies of the mission, vision, and business plan. Ask yourself if the mission and/or vision has been used. Are they referred to often? Or do they just sit as words on walls and bulletin boards gathering dust?

Summary

We have laid out the roadmap for creating, marketing, implementing, and updating the strategic IT and process plan. The importance

of business processes as a part of the plan was emphasized for a number of reasons. First, you need them to ensure the IT objectives, strategies, and action items are realistic. Second, often you have to have process change to realize the benefit of the IT investment.

The key themes of the planning method are:

- Organization through project management.
- Inclusion of processes, resource allocation, and implementation.
- Development of key lists and tables for business and IT factors.
- Collaboration during all parts of the planning effort.
- Parallelism of the planning activities.
- Communications during the plan not only to gather information, but also to gain support for the plan and the actions.

The plan is one of three dimensions in the alignment of IT to the business. If the plan is successful, you will be working on the right projects (strategic alignment). These two can influence the current work (tactical alignment).

The use of project management is valuable in doing strategic planning since it provides structure and a framework for all parts of the planning work. The project plan, tracking issues, and gathering lessons learned all assist in having more effective planning.