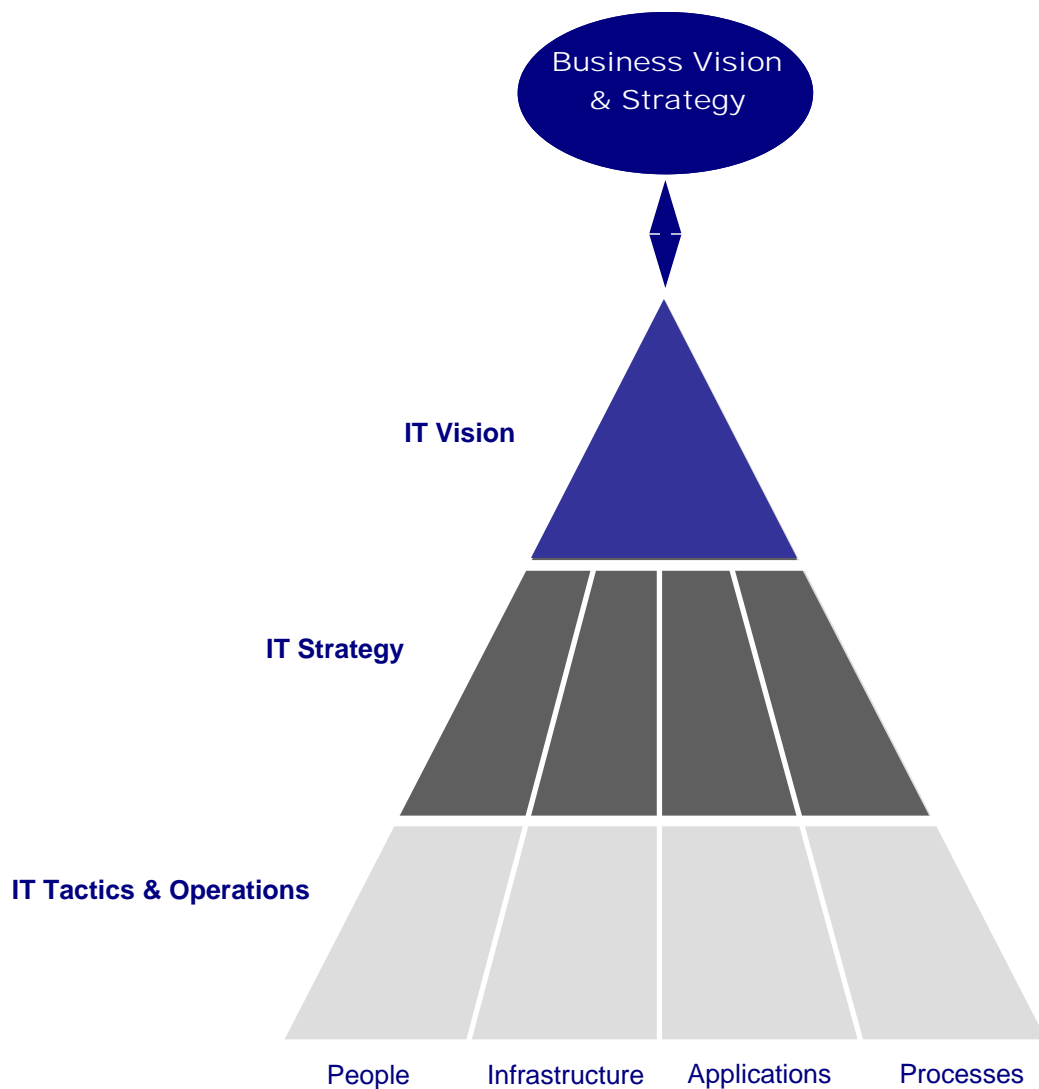


# IT Strategy Development

*How to make IT a strategic business enabler, enhance shareholder value, and mitigate risk.*



## Process Overview

Infology regards IT strategies as prescriptions for action. Few plans as preparation for more planning. Most organizations want to do just enough planning to identify and allow significant investments and to focus their activities over their chosen planning horizon.

An IT strategy should not only be in complete alignment with the business strategy but also enhance the business strategy. We, therefore, always start with business vision and related strategies. By going back to the fundamentals of the business we can develop an IT vision that is focused on maximizing the value contribution of technology.

Our approach is open in nature. It takes full advantage of the knowledge and expertise available from within the organization and from outside sources. This allows higher quality results and encourages shared ownership of decisions.

A well-aligned, broadly supported IT strategy enables future business strategies to be prepared with technology in mind rather than as an afterthought.

Additionally, our approach seeks to uncover near-term savings and benefits that will provide momentum to the process of change. We also ensure that the IT strategy is appropriately communicated to stakeholders and that mechanisms for ongoing governance are in place.

### An Eight Step Approach

Our eight step approach enables a rapid pace while ensuring all stakeholders have a proper voice in the process. Aspects that need to be taken into account include: evolving organizational models; technology evolution; legal, regulatory and third party requirements; current and proposed business initiatives; information, application and infrastructure architectures; and, internal and external technology delivery options. The benefits of choices made should be clearly defined together with Key Performance Indicators (KPIs) that will be used to manage successful execution of the IT strategy. Finally, a clear understanding of the business, technology, environmental and human resource risks needs to be recognized.

#### 1. Conduct Business Discovery

Business discovery begins with a review of internal strategy documentation prepared by management or outside advisors which is augmented with publicly available industry and competitor information including trends and benchmarking data.

The core exercise to complete the business discovery process is a series of interviews and operational facility tours. Starting at the highest level of the organization first enables a rapid understanding the company's mission, business objectives, and strategic plans. Our approach uncovers critical priorities and key business drivers, in the context of competitive pressures facing the organization as a whole. Using these insights as a compass, the discovery process is extended through the balance of the business community. Our approach ensures an understanding of the overall business strategy and determines the extent to which the IT organization is supporting these objectives of the company.

The process investigates the current business environment and explores strategic initiatives underway or planned. IT's role in supporting the current and future business requirements is discussed using a SWOT Model (Strength, Weakness, Opportunity, Threat). Current service levels are measured. Knowledge of and confidence in a variety of IT processes is explored (e.g., Application Implementation, Change Management, Disaster Recovery, Security, IT Value Measurement Metrics). Corporate Executives, Divisional and Unit Leaders are interviewed. Insight for customer and supply chain partners may be gained from direct interviews or their internal representatives. It is important to gain a perspective from a wide variety of business functions and locations to establish clear patterns of performance and to remove random noise from the evaluation.

organizations have the luxury of constructing long-term

### **I T S t r a t e g y . . .**

**IT Strategy is all about defining the future, understanding the present, and describing the path from here to there.**

**A successful strategy inspires valuable initiatives, initiates focused action, and unifies IT and its business communities around common goals.**

**Good IT strategies are good business.**

The outcome of this exercise is a documented understanding of the current (As Is) and expected (To Be) business environment and how IT performs in delivering value to the business.

## 2. Formulate Business Perception of IT

The harmony between IT and business communities is key to attaining strategic business objectives. It is a complex, multifaceted state which can be pragmatically and objectively measured through the use of a Maturity Model. IT initiatives and services support a varied business community and external partners. The Maturity Model evaluates position and growth along the following scale: Non-existent or Ad Hoc; Repeatable but Intuitive; Defined; Measured and Managed; and finally, Optimized. The business community's perception of IT service levels is crucial and needs to be brought into perspective through the comparison to external benchmark data.

This approach gains value from the use of metrics which have a common understanding by both IT and business communities. It also provides the basis for clear actionable initiatives that will support improved performance and value delivery within the IT Strategy deliverable.

## 3. Conduct IT Discovery

Our approach includes a comprehensive technology due-diligence process. This process enables a full understanding of the organization's technological capabilities and its delivery. The IT management interviews are multifaceted. We review human resources, infrastructure, applications, and core IT processes.

## 4. Reference Experts & Research.

Key human resource considerations include:

- Roles & Responsibilities
- Organizational Reporting Structure
- Career Planning & Skill Training
- Intellectual Property Rights
- External Resource Control

Key infrastructure considerations include:

- Data Centers
- LAN / WAN / Desktop
- Internet / Intranet / Extranet
- Telecommunications
- Capacity Utilization & Planning
- Contingency Planning

Key applications include:

- Core Enterprise Resource Planning (ERP)
- Outward Looking (CRM / SCM / eBusiness)
- Knowledge / Business Intelligence
- Productivity & Desktop

Key IT processes include:

- Application Acquisition & Implementation
- System Development
- Change Management
- Backup & Disaster Recovery
- Help Desk & Problem Escalation
- Security
- Desktop Standards & Compliance

Few businesses challenges are unique and isolated. Mid-sized business may not afford to be the earliest adopters of emerging technology. Our approach reviews available domain expertise and research with respect to industry practices; standards and benchmarks; and, emerging solutions and strategies. Reference to competitor practices and capabilities are frequent drivers of this process. Best practice and stable technology which represent a new, breakthrough idea is investigated. Usually, the internal business community is a rich source of data on competitive factors. In addition to our in-house expertise, published materials and, as required, other domain specialists on niche subjects are identified. If appropriate, independent research into competitor, customer, or supply chain partner practices is performed. The goal is to not only leverage knowledge and experience but also ensure the IT Strategy is consistent with external technology directions.

## 5. Review Interim Findings

The IT Strategy now begins to take shape. Feedback on the process to date is crucial to validate assumptions and conclusions. The results of discovery activities and the direction and structure of the final deliverable is reviewed with the Senior Leadership Team in a working session. The purpose is not only to verify the accuracy of objective findings but also achieve

agreement on the analysis of perceptions as represented within the Maturity Model. By exposing the main threads of emerging IT Initiatives for early feedback, agreement on a set of IT initiatives that will underpin the strategy is accomplished with buy-in across the Senior Leadership Team.

## 6. Build IT Strategy Deliverable

Within a clear IT Strategy, more than anything, companies want to know what to do. The key is to give a clear roadmap that can be understood and followed to achieve the improved performance with issues, conclusions, and recommendations clearly prioritized and tied back to business objectives. Focus is on enabling business initiatives that enhance shareholder value while mitigating risk. IT Strategy Deliverable has the following Table of Contents:

## 7. Communicate IT Strategy to Organization

The IT Steering Committee, as part of its overall communication strategy, must effectively communicate the Strategic IT Roadmap to the IT organization and the business community at large. Two way communication is key to maintain a dialogue of understanding to current initiative status and how these initiatives fit into an overall plan; and, to ensure business process owners have a channel to impart knowledge of changing conditions.

## 8. Manage the IT Strategy

The IT Steering Committee has, as a principal responsibility, the role to monitor the execution of and update to the IT

- |                                     |   |
|-------------------------------------|---|
| a. Business State                   | e. Strategic IT Initiatives                         |
| i. As Is                            | i. Organizational                                   |
| ii. To Be                           | ii. Infrastructure                                  |
| b. Prioritized Business Initiatives | iii. Applications                                   |
| c. IT As Is State                   | iv. IT Processes                                    |
| d. Readiness for Change             | f. IT Initiative Roadmap                            |
| i. People                           | g. IT Initiative Investment Scale / Scope / Benefit |
| ii. Infrastructure                  | h. IT Initiatives Risk Assessment & Mitigation      |
| iii. Applications                   | i. IT Initiative Prioritized Magic Quadrant         |
| iv. IT Processes                    |   |

Strategy. During the IT Strategy development process, Key Performance Indicators (KPIs) are identified which will be used to measure overall success of execution. Additionally, each initiative will have as part of its Business Case ROI model specific KPIs that will be used to manage initiative execution.

The use of KPIs provide the ability to not only monitor and measure success but also ensure that management attention is promptly focused on areas which may require strategy adjustment. Timely and accurate reaction to a changing business environment is key to overall success.

## The Bottom Line

IT Strategy development is an organic process which, through continual refinement, focuses IT activities and investments on business objectives to enhance value. Infology has found that most organizations can accomplish an IT Strategy development process within 30 to 60 days depending on the size, complexity and diversity of the organization. A clear understanding of the business vision and strategic initiatives reaching well into Unit management can accelerate IT Strategy development.



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