Strategic Planning for IT

Information Technology Strategies

IT organizations need to re-shape their approach to strategic planning to keep pace with today's world. They need to focus on setting vision, providing high-level contextual strategies that can be clearly articulated and related to each other, and translating those strategies into action in the form of clear justification and implementation projects.

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In 1884 work began on a Victorian mansion, a project that would take 147 builders 38 years to complete at a price of $5,500,000. The result was a masterpiece of leading edge functionality for the period, with 160 rooms and 24,000 square feet. But … the absence of any architectural blueprint or indeed a single architect assigned to the project also led to 13 abandoned staircases, 65 doors leading to blank walls, and 24 skylights embedded in floors. This project, known today as the Winchester Mystery House, serves as a graphic reminder of what we can expect when we attempt to build large and complex systems without investing in a planning stage.

Corporate computing environments in 2001 can all too often resemble the Winchester Mystery House – even to employees within the IT organization itself. Over the past few years, IT organizations have scrambled to keep up with the need to provide technology solutions to business problems across an ever-increasing array of hardware, software, and network technologies. The advent of distributed computing, coupled with the Internet revolution, has led to highly complex systems composed of hardware, software, people, and operational procedures that frequently span multiple platform and software foundations. Coexistence of so much technology demands interoperability of the components – and interoperability requires a set of overarching strategies to manage touch points and minimize conflicts. These high-level strategies, together with an architectural blueprint for the computing environment, must ensure that when components are assembled into the integrated system, the result is production-worthy, user-responsive, and maintainable.

Information Technology strategies today are in a state of unprecedented flux. This at a time when the ability to articulate, reconcile, and integrate multiple (and often competing) strategies is likely to be a leading differentiator for world-class IT organizations. IT organizations across the world are struggling with a multitude of strategies associated with the many different aspects of their information technology business. Many of these strategies are often implicit and spread by word of mouth; even those documented are rarely set in the context of their association with, and impact on, each other. As fast as IT organizations work to keep their strategies current with business, technology, and economic imperatives, these drivers themselves are changing so rapidly that it becomes almost an impossible task.

The IT strategists of the early 1990s had a fairly well-defined problem set from which to shape the strategies that led information technology to the year 2000. Simply stated, these were the transition of computing to client/server architecture; the Internet revolution; and corporate pressure to drive technology-based decision-making into business-based decisions with measurable return on investments. Today, as we near the end of 2001, the strategies based on these computing trends are aging. The classic client/server architecture has in many cases become an anarchy of distributed resources; users expect to interact with corporate computing services no longer just from stationary desktop PCs in their offices, but from a wide variety of mobile devices in any location worldwide, and the increasing globalization of corporations requires yet another leap forward in our approach to locating business-based information technology resources? geographic location? decisions. IT strategies clearly need revitalizing – middleware, managing knowledge rather than just data, globalization, IT portfolio management, workforce development, peer to peer technologies similar to those used by Napster: these are just a few of the challenges facing IT organizations in 2001.

Meanwhile, as computing complexity continues to increase at an alarming rate, the pace of business today demands virtually instant turnaround of strategic content. IT strategists are now faced with the need to develop strategies that can survive – indeed, take advantage of – fast-paced technological innovations while still enabling rapid business changes and irascible users who demand instant solutions – and to do all of this virtually overnight. Small wonder that so many of them take refuge in “tactical” strategies. Without even the time to reset their original strategic vision, their efforts become transactional and single-threaded in nature, lacking consistency and often conflicting with each other.

As if these challenges were not enough, most IT organizations still lack a systematic approach to prioritization decisions for strategic investments. Faced with the constant financial pressure to demonstrate clear and virtually immediate return on investment, any longer-term strategic value often goes unnoticed because there is no place for it in the decision process. There is little recognition of different strategy lifecycles and accompanying cost/benefit windows.

Faced with so many challenges, how can IT organizations re-introduce strategic context into their organizations to ensure long-term optimization of the many facets of their

business? Corporations whose IT capability is considered a competitive advantage have a strategic information technology vision that enables interoperability, innovation, and product/service segmentation, all at the best value for the dollars invested. Their strategic vision is supported by a set of necessary and sufficient high-level strategies that guide their IT departments as they make tactical decisions. These strategies are capable of evolution over time, while still enabling tactical decisions implementable virtually overnight. They are clearly documented, simply stated, well linked, and readily available to all.

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Effective strategic planning in this new decade must meet three overriding criteria: it must be a rapid process, produce brief but very clear output, and provide an integrated context from which more detailed planning can take place. For strategic planning to respond rapidly to the right priorities, it is essential that the process start with prioritization and framing of the strategic questions to be addressed at any given phase. Generally this is best accomplished through a small subset of senior IT managers, preferably including the IT Director. Once the highest priority topic areas have been identified, and appropriate questions framed, the work of strategy development can take place. For integration of the strategies, IT organizations need a virtual team of strategists for this phase. The virtual team should include qualified membership from the major IT constituencies, whose role it is to represent the goals of their specific organizations in the overall development process. The strategic output must accomplish a metamorphosis from the often lengthy, highly detailed, complex white paper, typically developed over several months, to a succinct and pragmatic explanation of the strategic principle, assumptions, scope, implications, actions, timing, interdependencies, and open associated questions – produced over a period of weeks or even days. Ideally, the output should also be keyword-indexed and capable of being represented in relationship with other strategies, and incorporated into some form of strategy navigation tool for wide availability through both IT and the corporation as required. Finally, to be effective, the output of the Strategy Virtual Team should be directly translated into action through alignment with each IT department's financial and project implementation process.

One additional effort that complements the strategic planning effort is the development of a strategy framework that clearly outlines, in brief segments, the different high-level strategies the organization needs to operate from. This template can be populated and modified as needed and made available to a wide audience through information navigation techniques that enable interrelationships to be clearly understood. Each segment may have a different owner within the IT organization but a strategic department should assume overall responsibility for the framework itself and the communication vehicles.

Summary

In summary, IT organizations need to re-shape their approach to strategic planning to keep pace with today's world. They need to focus on setting vision, providing high-level contextual strategies that can be clearly articulated and related to each other, and translating those strategies into action in the form of clear justification and implementation projects.

Intel around the world

United States and Canada
Intel Corporation
Robert Noyce Building
2200 Mission College Boulevard
PO. Box 58119
Santa Clara, CA 95052-8119
USA
Phone
General information: (408) 765-8080
Customer support: (800) 628-8686

Europe
Intel Corporation (UK) Ltd.
Pipers Way
Swindon
Wiltshire SN3 1 RJ
UK
Phone
England: (44) 1793 403 000
France: (33) 1 4694 71701
Germany: (49) 89 99143 0
Ireland: (353) 1 606 7000
Israel: (972) 2 589 7111
Italy: (39) 2 575 441
Netherlands: (31) 20 659 1800

Asia-Pacific
Intel Semiconductor Ltd.
32/F Two Pacific Place 88 Queensway,
Central
Hong Kong, SAR
Phone: (852) 2844 4555

Japan
Intel Kabushiki Kaisha
PO. Box 300-8603 Tsukuba-gakuen
5-6 Tokodai, Tsukuba-shi
Ibaraki-ken 300-2635
Japan
Phone: (81) 298 47 8511

South America
Intel Semicondutores do Brasil
Avenida Dr. Chucri Zaidan, 940, 10t
Sao Paulo
Brazil
Phone: (55) 11 3365 5500

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