A Practical Guide to

Information Systems Strategic Planning

Second Edition

By
Anita Cassidy

Auerbach Publications
Taylor & Francis Group
Boca Raton New York

Contents

Preface xi
Acknowledgments xv
About the Author xvii

1 Purpose of Information Systems Strategic Planning **1**
Benefits of IS Planning 4
Effective Management of an Expensive and Critical Asset to the Organization 5
Improving Communication and the Relationship between the Business and IS Organization 6
Aligning the IS Direction and Priorities to the Business Direction and Priorities 7
Operational Excellence 10
Customer Intimacy 11
Product Leadership 12
Identifying Opportunities to Use Technology for a Competitive Advantage and Increase the Value to the Business 14
Planning the Flow of Information and Processes 15
Efficiently and Effectively Allocating IS Resources 16
Reducing the Effort and Money Required Throughout the Life Cycle of Systems 17
Planning Approach 19
Conclusion 21
Notes for My IS Strategic Planning Project 22
References 22

2 IS Governance **23**
Definition of Governance 23
Importance of Governance 24
Approaches to Governance 27
Involvement of the Organization 29
Executive Management 30

IS Steering Committee 31
CIO 34
IS Organization 35
Implementation Team 36
Conclusion 37
Notes for My IS Strategic Planning Project 38
References 38

3 The Planning Process 39
Planning Components 39
Planning Process 41
Phase 1: Visioning 41
Phase 2: Analysis 44
Phase 3: Direction 44
Phase 4: Recommendation 46
Plan Contents 47
Plan Development 48
Conclusion 51
Notes for My IS Strategic Planning Project 51

4 The Visioning Phase 53
Initiate and Manage the Project 53
Finalize Objectives, Goals, and Scope 54
Scope 59
Identify Resources, Roles, and Responsibilities; Interview Participants 63
Confirm Deliverables and Work Plan 65
Draft Deliverable Templates 65
Announce the Project; Conduct Project Orientation 65
Establish Ongoing Project Governance, Communications, and Status Report 66
Review and Confirm Project Plan (Milestone) 66
Understand the Business Situation and Vision 67
Review Business Documentation 68
Develop Business Interview Questions, Surveys, and Workshop Structure 70
Surveys 72
Schedule Business Interviews and Workshops 79
Conduct Business Interviews, Workshops, and Surveys 80
Document Business Interviews, Workshops, and Surveys 80
Review and Confirm Business Input 81
Document and Confirm the Business Analysis 81
Document Current Business Description, Vision, Values, Goals, Strategies, Direction, Operating Vision, Business Projects, and Initiatives 81
Business Operating Vision 82

Global Requirements 84
Document Industry Business Trends, Business, and Customer Requirements 87
Environmental Business Requirements 87
External Business Requirements 88
Value Chain Analysis 90
Business Measures 91
Business Processes 94
Business Requirements 100
Document Business Strengths, Weaknesses, Opportunities, and Threats 101
Document Business Impact on IS 102
Review and Confirm Business Situation Understanding 119
Conclusion 119
Notes for My IS Strategic Planning Project 120

5 The Analysis Phase 121
Understanding the Current IS Situation 121
Review IS Documentation 121
Develop IS Interview Questions, Surveys, and Workshop Structure 130
Surveys 132
Schedule IS Interviews and Workshops 135
Conduct IS Interviews, Workshops, and Surveys 135
Document IS Interviews, Workshops, and Surveys 136
Document the Current IS Situation 136
Business Application Environment 138
Desktop Environment 144
Server Environment 153
Network Environment 160
Telecommunications Environment 160
Data Center Environment 161
IS Organization 162
Project Workload (Current and Backlog) 167
Processes 173
Budget and Metrics 178
Review and Confirm IS Situation 178
Analyzing the Current IS Situation 178
Conduct Industry Benchmarking 179
Identify IS Industry Trends and Competitor Profiles 179
Competitor Profiles 185
Review Information Needs and Data Context Model 186
Review Business Processes and Use of Applications 187
Identify High-Level Functional Requirements and Gaps 187
Business Requirements Analysis 187
Business Operating Vision Analysis 191

Environmental Business Requirements Analysis 193
External Business Requirements Analysis 194
Business Strengths, Weaknesses, Opportunities, and Threats Analysis 194
Develop IS Strengths, Weaknesses, Opportunities, Threats (SWOT), Risks, Technology Opportunities, Business Enablers 194
Develop IS Assessment Scorecards; Rate with Team 203
Review and Confirm IS Analysis 214
Developing Recommendations and Solution Alternatives 214
Develop Business Application Options and Recommendations 214
Develop Infrastructure Options and Recommendations 215
Develop Organizational Options and Recommendations 216
Develop IS Process Options and Recommendations 217
Review and Confirm Recommendations 218
Conclusion 218
Notes for My IS Strategic Planning Project 219
References 220

6 The Direction Phase 221
Developing the IS Vision and Direction 222
Developing the IS Vision and Mission 222
Vision 224
Mission 227
Values 230
Develop the IS Goals and Strategies 230
Goals 230
Strategies 235
Determine the IS Balanced Scorecard and Metrics 245
Review and Confirm the IS Vision and Direction 249
Developing the IS Plan 249
Develop the Business Application Direction 249
Information Architecture 259
Develop the E-Business Direction 260
Develop the Technical Infrastructure Direction 266
Develop the Organizational Direction 272
Develop IS Process Direction 283
Develop a Prioritization Process 286
Prioritizing by Business Objective 288
Prioritizing by Forced Ranking 289
Prioritizing by Business Performance Impact Criteria 290
Review and Confirm the IS Plan 290
Identifying IS Projects 290
Estimate IS Costs 293
Identify Business Benefits 293
Prioritize IS Projects 294
Review and Confirm the IS Projects and Prioritization 294
Conclusion 295
Notes for My IS Strategic Planning Project 295

7 The Recommendation Phase 297
Develop a Road Map 298
Document a Detailed Road Map 298
Summarize Costs 298
Summarize Organization Impact 303
Identify Risks, Concerns, Risk Mitigation, and Readiness Assessment 304
Review and Confirm Road Map 315
Develop a Business Case 315
Summarize Business Benefits and a Business Case for Action 315
Develop a Communication Plan and Presentation Summary 321
Develop an Ongoing Planning Process and Steering Committee 322
Review and Confirm the Business Case 323
Communicate the Plan 323
Finalize the Detailed Plan Document 323
Develop the Summary Presentation 329
Present the Plan and Discuss It 330
Conclusion 331
Notes for My IS Strategic Planning Project 332

8 Next Steps 333
Marketing 333
Executing 335
Project Plan 335
Project Kick-Off Meeting 339
Request for Quote 340
RFQ Response Review 344
Software Demonstrations 349
Vendor Selection 352
Managing 352
Measuring 357
Conclusion 357
Notes for My IS Strategic Planning Project 358

Index 359