

## **PLANNING FOR IS**

- The complexity of the information resources environment suggests that planning is vital to success.
- The plan describes the structure and content of the information system and how it is to be developed.
- The organization's strategic plan should be the basis for the MIS strategic plan.
- The overall responsibility of IS planning is the responsibility of Chief Information Officer (CIO)

### **IS Plan**

Business Planning:-The process of identifying the firm's goals, objectives, and priorities +developing action plan for accomplishing them.

Information System Planning:-The part of business planning concerned with developing the Firm's Information System Resources

### **Challenges in Business Planning**

- Foreseeing and assessing opportunities
- Assuring consistency with organizational plans and objectives
- Building systems
- Maintaining information system performance
- Collaborating with IT professionals

### **Principles for IS Planning**

- Support the firm's business strategy with appropriate technical architecture
- Evaluate technology as a component of larger system
- Recognize life cycle costs

### Advantages of IS Planning Process

- Plans enable communication
  - To enable and support intra-organizational communication
  - To create a shared mental image of team members' role
- Plans enable unity of purpose
  - To specify the objective of IS deployment
  - Clear responsibilities are agreed upon
- Plans simplify decision making over time
  - To create a context for decision making

## 5.1 STRATEGIC INFORMATION SYSTEM

- A **Strategic Information System** (SIS) is a **system** that helps companies change or otherwise alter their business **strategy** and/or structure. It is typically utilized to streamline and quicken the reaction time to environmental changes and aid it in achieving a competitive advantage
- **Strategic information systems** (SIS) are information systems that are developed in response to corporate business initiative. They are intended to give competitive advantage to the organization. They may deliver a product or service that is at a lower cost, that is differentiated, that focuses on a particular market segment, or is innovative.
- Strategic information management (SIM) is a salient feature in the world of information technology (IT). In a nutshell, SIM helps businesses and organizations categorize, store, process and transfer the information they create and receive. It also offers tools for helping companies apply metrics and analytical tools to their information repositories, allowing them to recognize opportunities for growth and pinpoint ways to improve operational efficiency.

## Strategic Decisions

- Made by top level managers.
- Involve setting organization policies, goals, and long-term plans.
- They affect the organization for many years



## Strategic Business Planning

- An organization's mission, vision, and future direction, performance targets, and strategy.
- Effective IS planning can only occur when there is a clear understanding of the firm:
  - What makes successful
  - The business strategy

Its future goals and objectives

### 5.2. TACTICAL IS PLANNING

- It is short range planning emphasizing the current operations of various parts of the organization. Short Range is generally defined as a period of time extending about one year or less in the future.
- Managers use tactical planning to outline what the various parts of the organization must do for the organization to be successful at some point one year or less into the future.

Tactical plans are usually developed in the areas of production, marketing, personnel, finance and plant facilities.

- Tactical plans are sometimes called short-term action plans because they breakdown bigger-picture goals and strategies into narrower, actionable tasks. The key to a well-developed tactical plan is having specifically stated actions assigned to particular employees with specific deadlines.
- Bold objectives and thoughtful strategies produce nothing if no steps are taken to put them into action. The goals and strategies give vision and the actions make the company plans real.
- Because of the time horizon and the nature of the questions dealt, mishaps potentially occurring during the execution of a tactical plan should be covered by moderate uncertainties and may lie closer to the control of management (next year shipping prices, energy consumption, but not a catastrophic black-out, etc.) than strategic ones. Those mishaps, in conjunction to their potential consequences are called “tactical risks”.

### **Tactical Decisions**

- Made by middle-level managers.
- Involve implementing policies of the organization.
- They affect the organization for several months or a few years.
- Strategy involves the future vision of the business; tactics involve the actual steps needed to achieve that vision.

### **Strategic Vs. Tactical**

1. Strategy refers to the “what” and “why” a company plans to do in the future, and tactical refers to “how” it plans to implement it.
2. Strategy formulation involves consideration of all type of external and internal input while tactics is actually the actions to implement the strategy.
3. Strategic information is needed for long-term planning and directions. Tactical information is required to achieve short-term goals to achieve performance and

profitability.

4. Strategic information involves a period generally up to five years while tactical information involves a period of up to a year.

### **OPERATIONAL PLANNING**

It is the process of linking strategic goals and objectives to tactical goals and objectives. It describes milestones, conditions for success and explains how, or what portion of, a strategic plan will be put into operation during a given operational period.

An operational plan addresses four questions:

- Where are we now?
- Where do we want to be?
- How do we get there?
- How do we measure our progress?
- Made by by lower-level manager.
- Involve the day-to-day decisions needed in the operation of the organization.
- They affect the organization for a short period of time, such as several days or weeks.