**Final Strategic Plan**

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Final Strategic Plan

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# Executive Summary

Renaissance Learning is an educational technology provider for kindergarten through twelfth grade. They specialize in providing content for students, then collecting results from those interactions to drive reporting for the teachers. This enables teachers to identify understanding gaps and improve the quality of the education.

For the business to continue being highly competitive, they need to examine their mission statement and goals. This will help set the direction where other investments should be made. Once a direction has been set, there needs to be an examination of the internal and external environments which the business must compete across. Once they have identified the strengths, weaknesses, opportunities, and threats a strategic plan can be created.

Several gaps in the business strategy were identified, of which expanding into different markets and moving their data centers into the cloud were considered highest priority. If the business focused on reselling their content to other English speaking countries, it would be possible to collect more money without requiring a significant amount of additional work. Also, moving the web application into the private could would allow the company to invest more in value-add services such as development, instead of tedious manual efforts associated with hardware maintenance.

After identifying the potential benefits, a risk management strategy needs to be created. The company can focus on methods to control and measure progress. These tools will ensure that the project says on the right course, and is successfully delivered.

Lastly elements of the organizational structure are inspected and alternatives proposed, which would help the business be more successful. For example, the business is currently a decentralized matrix which causes ambiguity toward priorities. Instead a functional organization could leveraged so that there are clear lines of communication and control.

# Identify the major components of the strategic management process

The strategic management process is a feedback loop for executing strategy and measuring success (Hitt, Ireland, & Hoskisson, 2015). It starts with the analyzing a problem and researching a direction forward. Based on the results of the research, the company will choose a strategy to capitalize on the outcome. Lastly, the performance of the strategy is measured and compared against the expected outcomes of the analysis.

# Discuss how these components work together to create value for the organization.

After executing an iteration of the ASP model, the company will have additional questions. Perhaps the performance was insufficient, and the strategy needs to be revised. This will lead to more research and analysis to drive a different strategy. Alternatively, the results could be above-average, and the company will need to diversify into new areas instead of seeking micro-optimizations (Hitt, Ireland, & Hoskisson, 2015).

Renaissance Learning, an education technology firm, uses this model to drive innovation into their company. For instance, customers frequently reported that it was cost probative for small school districts to leverage their software.

To address the concerns, the business decided to host the software for the districts. This lead to research between maintaining private data centers or using the public cloud. Cost analysis lead to a strategy designed around Amazon Web Services.

As the engineering teams design the software, performance metrics are already being collected. For example, the software needs to be ready before the first day of school. Having these metrics help drive decisions to make sure they timely meet the expectations of the customer.

# Evaluate Renaissance Learnings…

## Mission Statement

Their mission is “to accelerate learning for all children and adults of all ability levels and ethnic and social backgrounds, worldwide (Renlearn, 2017).”

## Vision Statement

The mission statement is accompanied by a vision of enabling teachers to have insight into their students. They accomplish this by building technologies to apply machine learning and other statistical models to test results. This is delivered through hosted web applications which expose custom content for educating math, science, and language arts.

## Motivation Strategy

When the company was founded in 1984, it was because the founder’s oldest child had difficulties reading. They felt that software could make it fun to learn and encourage him to catch up. The program was successful and was adapted to helping other students in the district. That story has continued to build outward, now becoming the number one name in k-12 software.

It is not surprising that same passion has trickled down to all staff members, as they are motivated to enrich education for millions of children.

## Innovation Strategy

The business started as a family owned company, however they quickly acknowledged a lack of expertise. To mitigate these challenges the organization hired a management firm and talented computer software designers.

Typically, family owned businesses are unsuccessful when an outsider is brought in to runs the company (Hitt, Ireland, & Hoskisson, 2015). That was not the case in part because the founders wanted to buy talent and make the best product possible. In contrast many family owned businesses exist to enrich the life of family (Hitt, Ireland, & Hoskisson, 2015). This alternative view has enabled them to be more innovation by delegating to expertise.

## People Strategy

The company knows that their people are the lifeblood of the organization. This is where all the talent and ideas will come from; in addition to the execution. They work hard to retain talent with competitive pay and frequent benefits, such as free lunch. Keeping the employees happy and motivated is such a critical concept, Renaissance even has a Chief People Officer.

# Explain the role of ethics and corporate social responsibility in strategic planning.

## How does this direct their strategy?

A company that lacks ethical and social responsibility will have difficulties succeeding in the long term (Hitt, Ireland, & Hoskisson, 2015). This is because customers will boycott products which do not align with their own moral compass.

There are also complexities introduced to an organization being corrupt. For example, foreign countries which high amounts of bribery tend to have lower export numbers (Hitt, Ireland, & Hoskisson, 2015). Customers have lower expectations and simply want less of the product.

## How does the organization's vison and mission align with your own values and vision?

It’s difficult to be overly critical of an organization, whose sole mission is to improve education for millions of children. I see that as a very respectable goal and one that is worth striving to achieve.

## If you are currently working for the organization, how does your role influence this and vice versa?

My role is to design backend systems and mentor junior engineers, as they learn to build cloud solutions. Like our final product intends, I gain satisfaction knowing my work helps teach others. It is great to see the benefit that my peers receive from my insights.

# Creating value, sustain competitive advantage through environmental scanning strategy

Educational software is a highly competitive environment, containing both for and non-profit organizations. Additional complexity is encountered as the company needs to be adaptive to changes in regulation and student performance standards. To accommodate these challenges the business needs “to use external environmental analysis (Hitt, Ireland, & Hoskisson, 2014).” This process involves four phases: scanning, monitoring, forecasting, and assessing.

The company needs to scan for notifications of change to their environment. This occurs through many channels such as: attending professional conferences, interviewing customers, or subscribing to mailing lists. At Renaissance, there are several teams of employees which report to sales and marketing departments, who focus on this area.

When the business discovers an update of interest, the leadership team will assign an employee to monitor and report on the progress. The assignee will compile status reports, or perhaps spearhead a broader customer outreach.

The results of this work will be used to forecast the influence on the business, enabling the company to be more respond to trends more quickly. If the company fails to embrace a critical trend change in time, they risk losing their completive position. Others will jump at this weakness and steal market share.

Just as it is important to follow trend changes, it equally important to ignore low value updates to the environment. The firm must assess the expected value or risk of the change and plan accordingly. Using the strategy management process during the assessment phase, can assist the company in making the right choice (Hitt, Ireland, & Hoskisson, 2014). The strategic management introduces additional performance feedback information, which can highlight the true value in additional investments into the change.

# Evaluate the company's external environment.

## **Economic**

Renaissance generates the bulk of their revenue by selling software licenses to public school districts in the United States. Improving schools and educating students is a bipartisan topic which reduces the political risk of the business. Their clients can easily seek funding through the many parents within their communities.

## **Political/Legal**

While it is easy to justify the purchasing of their software, the business is not immune to political and legal risks. For example, the Trump administration has recently appointed Betsy DeVos to head the department of education. She will have a different opinion on standards and learning objectives, compared with her predecessors. This can lead to more or different regulation.

## Physical

The company offers their software solutions as hosted services on the Internet. This reduces their risk of positioning stores in the wrong locations. It also reduces their risk to shocks of an individual state or cities population dropping.

## Demographic

With a business model that targets the K-12 audience, there is risk that the number of students will decline. If the population was too age, like Japan, it could hurt the size of the market (Hitt, Ireland, & Hoskisson, 2015).

Another demographic trend would be the primary language of the students. In 2010, the business identified a trend of Spanish speaking students in southern states. This led the company to create their “STAR Spanish Reading” product, which targeted this new audience.

## Sociocultural

Helping to improve student’s ability to: read and understand mathematics, is an area that nearly all sociocultural groups support. However, different groups have strongly different opinions of how that should be accomplished. The business needs to be aware of different groups and ensure marketing conveys a positive message. If not, they run the risk of PTA groups protesting the product and requesting a competition solution.

## Technological

In the early days of Renaissance, computers were not prevalent nor was the Internet. This reduced the potential audience of customers for the product. During the 90s and early 2000s the technology improved, and larger schools could purchase hardware to host the systems. Now it is very common for students to have access to smart devices and access content anytime of the day. The content can also be delivered significantly cheaper in the modern era, which enables it to be more rich and interactive.

## Global

The business is poorly diversified across the global markets, and needs to make improvements here. For example, providing software for children in Europe and Asia would increase the market size. As the market size increases, so does the potential to profit and generate revenue for the shareholders.

# Assess the company's general environment.

Overall the business is well positioned to continue making high returns for years to come; as the environment is both growing and the products are well received. Their primary focus is selling directly to school districts, which are funded through governmental grants.

The business is also rich is intangible resources, such as a strong brand which is well received by the customers.

# Evaluate the organization's industry operating environment.

The educational industry is flourishing, which is both good and bad for Renaissance. Due to the increase of interest, there is likely to be an increase to the number of competitors. Many of these competitors, such as Kahn Academy, offer similar services for free. Over time this can lead to a commoditization of the industry and lead to reduced margins.

Modern technology, such as cloud computing, are removing high fixed cost barriers that previous kept out new entrants to the problem space. This enables businesses to be more agile and release new features quickly and respond to changes faster.

# Assess the organization's internal environment

Over the last thirty years the company has grown by acquiring smaller companies across the United States and Canada. This has led to numerous small branch offices with 5 to 10 engineers at each location. As a direct result the of this growth model, there is a highly-decentralized architecture with each branch working semi-autonomously.

There is also lose oversight of each branch through a trio leadership model consisting of: an architect, a technology lead, and a product owner. Like a matrix organization, the staff report to all members of the local leadership team. The local leadership team is responsible for ensuring that broader goals of the company are being met.

This model is great for employees that do not need a lot of supervision, as there tends to be loose oversight. The product owner, which is like a project manager, provides the most day-to-day oversight as they ensure that tasks are being completed.

However due to the relaxed communication model there is risk that communication will be poor across the organization. For example, the Brooklyn team might design a component and not tell the Vancouver team of their accomplishment. This causes the Vancouver team to repeat that effort, or have requirements which are missing from the partner team’s implementation.

# Identify the most important strengths and weaknesses of your organization including an assessment of the organization's resources.

The company is in the business of creating technology and delivering unique intellectual property through reporting. To stay competitive in this space, the organization needs to retain their staff. Clearly the staff are a treasured resource within the company. This can be seen through the numerous small perks; such as: free lunches, moral events, and providing reasonable benefits.

Renaissance also has an aging private data center, which holds back their ability to innovate and run at larger scales. There are significant efforts required by support staff to keep this legacy infrastructure up and running all year long. To mitigate these challenges, they are building a new system architecture which runs on Amazon Web Services. The expectation is that these new cloud centric resources will provide more agility and reduce costs going forward.

The office locations are also cramped with many engineers working out of the same office. This makes it difficult for some to concentrate and get their work done. However, at the same time this weakness is also a benefit to the company. Due to everyone stuffed into the same room there is excellent communication across all members of the branch office. As questions arise, there is always someone within shouting distance to help with problems.

# Identify the important internal environmental factors in relation to the internal analysis

## In General

The business prides itself on its ability to control costs and apply financial controls. This helps to ensure that the company is not wasting large sums of money without just cause. In large decentralized organizations, it is easy to have waste. Their methodology this helps drive a culture where staff members are always looking at the sustainability of solutions. To also provide a carrot in their design, there is profit sharing from the excess revenue as bonus money given to the staff.

## Industry

The education technology industry is an important area, which provides a valuable service to millions of students. However, it is not as glamourous as other technology industries; such as: video games or self-driving cars. This causes internal environments to end up with employees might have unique backgrounds. For example, several of our engineering leads started their careers as math content designers. Later they completed undergraduate degrees in computer science and transitioned their career path. This seems to be somewhat common of internal environments within the educational industry.

While it is less common for engineering leads to have advanced degrees within their immediate field, they mitigate those short comings with other knowledges and experiences. For example, as former math content designers they understand how the teachers will interact with the products. They can leverage their core competencies of providing the best in class educator experience possible (Hitt, Ireland, & Hoskisson, 2015).

## External Analysis

From an external perspective, the customers care that the product suits their needs and is easy to use. Renaissance is currently a leading provider of educational content; however, it would be possible for a competitor to join the market space. To stay relevant, businesses need to monitor the competitive dynamics around them (Hitt, Ireland, & Hoskisson, 2015).

This requires that the internal environment foster innovation and provide features that add value for the customer (Hitt, Ireland, & Hoskisson, 2015). To accomplish this the company needs to be a first mover in disruptive ways. For instances, Renaissance is moving their architecture to the cloud which allows them to run their infrastructure cheaper. Presently several competitors have not made this leap, which will slow down their ability to add new features as quickly.

# Perform competitor analysis.

A competitor to Renaissance is SunGard, a custom education technology specialist company. They are a smaller player and lack the resources to scale out to larger deployments. This can most easily be seen in the difference of sales staff and technical support. While their company could hire more employees, they would have challenges catching up with Renaissance.

Another competitor would be Coursera, an online provider of educational content. Coursera has an excellent web portal that is easy to understand, and hundreds of thousands of active customers. However, they have not been successful at monetizing the platform and give away most of the content. They also focus on college level student courses, which limits the overlap of user base.

Another key differentiator between Renaissance and many of the other competitors, is that they focus on enabling teachers. Most of the other products are focused on the students. This creates a unique value position for the teachers, as the power and control is not taken from them. It gives them reporting and analytics so that they can run their classroom, their way.

# Assess the structure of the organization and the influence this has on its performance.

The internal organization structure leads to challenges as the company is highly decentralized, and at times has poor communication. The senior leadership understands these risks and provide budgets for cross pollination efforts. For example, it is common practice for members of the San Francisco office to work for weeks at a time from Minneapolis office. This forces the employees to share ideas with different parts of the company. Through baking these ideas into the culture, they can stay hands off, and have a degree of confidence that things will just work out. If the culture was not such then there would be significant risk to the performance of the business.

# Determine the organization's competitive position and the possibilities this provides.

The organization is in a good position to be competitive, both through their human capacity, in addition to various intellectual properties. The senior leadership team is very competent and has a clear vision of what the customers need. They have built that vision through hundreds of interactions between the sales teams and school district stake holders.

The business model is also designed around multi-year contracts with the school districts which helps prevent competitors from moving in their territory. Since the schools have already paid for the service they are dis-incentivized from seeking additional services. The primary drivers that could change that is either poor service quality or lacking innovation.

Because of these characteristics it is likely that the business will retain its competitive position and deliver additional value to educators around the globe. There only thing which stands in the way of continued growth would be the company itself. This is a good position provided the right controls are in place.

# Evaluate potential business level strategies for the organization.

A business level strategy tries to set the focus between the who, what, and why components of the company’s direction (Hitt, Ireland, & Hoskisson, 2014).

The first aspect is to choose who the company wants to target as their primary and secondary market segments. For instance, Renaissance has chosen to focus heavily on elementary and middle schools and not address college level students. Because of this, sales teams go after school districts which have huge numbers of students instead of the smaller sector of advanced degree students.

The next aspect is to identify what the customer expects from the products and services offered. If the customer expects the highest quality available, they be willing to pay a price premium. In contrast customers that are looking for a solution which “just works” may turn up their nose at any upselling. Understanding these and related customer expectations ensures that the customers will stay loyal for years to come.

The last aspect is to identify how the expectation will be met. The clients of Renaissance expect that they will have access to high quality reading assessment quizzes, and they will be easy for young students to take. To accomplish this the company outsources content development work to numerous companies. Their internal team of engineers build web site solutions which provide the assessments in a reliable manner.

# Assess potential corporate level strategies for the organization.

A corporate level strategy seeks to improve the competitive advantage of the overall business (Hitt, Ireland, & Hoskisson, 2014). Common methods include pricing strategies, diversification, completion of solution, or through use of financial economies.

When a business uses a pricing corporate strategy, they might seek to be the most cost efficient solution relative to their competitors. In exchange, the company attempts to increase volume sales and to make up the difference (Kimmel, 2014).

Another common method is through diversification of the business; using horizontal, vertical, or conglomerate approaches to gain business (Hitt, Ireland, & Hoskisson, 2014). These strategies attempt to reduce risk to the business, by collecting additional business from the customer, through more interactions. For instance, the company could also sell tutoring material for the students or provide technical support services around their products.

These related products offerings also help drive the completion of the solution and ability to sell the brand. As the schools buy more Renaissance products, it causes them to need even more Renaissance products later. This is because of vendor lock, which reduces the advantage of competitors from taking that business (Hitt, Ireland, & Hoskisson, 2014). Customers want a single throat to choke, and are willing to tolerate inefficiencies at the benefit of the collective value.

An example of a financial economic strategy would be a corporate restructuring. This can make the business more competitive as inefficiencies are removed. For example, a business with lots of executives relative to the employees is often very political. Their fights over power slow down the innovative nature of the business. After restructuring the company, it might be possible for decisions to happen quickly and with greater agility.

# Assess potential global strategies for the organization.

A business which competes on the global stage has access to larger and more diversified populations. This provides advantages such as increasing the number of potential customers, reducing the cost of labor, and altering the risk profile through diversified markets (Hitt, Ireland, & Hoskisson, 2014).

Renaissance has a large library of educational content in English, which could be resold outside of the United States. As the costs associated with serving the content are predominately fixed, several countries additional countries could be targeted. This would increase net income through the high operating leverage enjoyed by the business model (Ross, Westerfield, Jaffe, & Jordan, 2014).

If the business wanted to invest into different locales, then it might make sense to adopt a multi-national strategy. This is where the core competencies of the business are shared with foreign offices, however the foreign offices have more control over the day to day operations. This would reduce the risk of cultural differences between the American and foreign nations, while still taking advantage of the technology and resources of headquarters.

# Recommend a strategy or combination of strategies the organization should implement, and include a rationale for that recommendation.

The business has been successful in their strategies toward educating children in reading and mathematics. There could be value in extending these offerings to include other content areas, such as science. This increase in scope would diversify the company and give them better integration into their existing clients.

Another method to improve their strategy could be to expand their offerings to include Spanish in addition to English. Many American schools contain Spanish speaking students, who struggle to overcome the language barrier. Through offering Spanish reading content, more licenses might be purchased by existing or new clients, increasing the potential to profit.

A third method to improve their strategy could be to offer their existing services in other nations. As mentioned previously, this allows the business to gain additional value on their fixed assets, while not increasing costs. That would improve the bottom line and lead to above average returns.

# Objectives

The primary objective of this work is to reduce costs associated with development and production workloads. While the physical servers in the private data center have long since been paid for, they require full time staff to maintain them. Each staff member costs the company $150,000 annually between salary, benefits, and required resources. If the number of employees can be reduced this will have a direct correlation to the profit of the business.

Another area related to cost is the speed of provisioning new infrastructure for the different workloads. Presently each new environment requires weeks of capacity and budgetary planning. However, once the business runs on the public cloud infrastructure, provisioning of those same resources is instantaneous. This reduces the time required for engineers to create new features and have them ready for customers.

A third objective is to update the legacy systems to use modern standards and practices. This will simplify hiring processes as these are the skills most prevalent in the current job market. Then through the laws of supply and demand the company can negotiate better labor contracts, also reducing costs. In addition, the conformance to new standards will improve the quality of the new cloud system, as it could then gain access to newer technology solutions.

The final objective is that the project can be completed before the start of the school year in August. Once school is in session the business tries not to touch the production site.

# Functional tactics

## Human Resource Management

The company lacks the expertise required to build solutions on modern technologies, and has an educational gap. While it would be possible to fill that gap, that would take too long, so new staff needs to be hired. There are other parts of the project that will need to be outsourced and overseeing those human resources will be required (Casio, 2014).

## Legal

As the business adds dependencies on various service providers, new employees, and outsourced labor; there needs to be assurances of quality and execution. Consider the scenario of hiring a business that does not even deliver the work. In these scenarios contracts need to be drafted to ensure responsible parties act responsible (Mallor, Barnes, Langvardt, Prenkert, & McCrory, 2014). Legal services will also be required to ensure that the business meets any regulation associated with storing student information.

## Marketing

The new cloud based solution will gain additional features, such as faster reports and access to larger data sets. The marketing team will need to give thought toward product, placement, price and promotion – to create a campaign to make sure customers are aware of these new capabilities (Kolter & Keller, 2014). There will also need to be coordination with the sales teams, so that additional licensing fees can be collected from those new features.

## Finance

Taking on a large project requires efficient planning of capital through budget management strategies. This project would be no different, as it will require significant engineering resources. Aside from the influx of labor costs, there will also be fewer people available to work on the legacy system.

## Operations and Supply Chain

The business previously used an ad hoc supply chain and operational model for building their software and serving it to the customers. This was possible as they had a finite amount of hardware, which was deployed in a static configuration. However, in the cloud these processes and pipelines need to evolve.

For example; the current supply chain has engineers writing code, next manual testers verify it for completeness, and finally operations team will deploy it. Using modern systems these steps are merged, such as engineers write code; then automated systems run tests and deploy to the environment. This leads to faster iterations while using fewer staff members. The additional staff can be reassigned or consolidated, allowing the company to do more with less.

# Action Items

## Configure Deployment System

For the new system to be successful, it needs to allow feature teams the ability to deploy in a repeatable manner. There are numerous technology solutions for automating this process, once needs to be chosen and provisioned. Once this layer exists templates and documentation needs to be created, so that feature teams can plug in their projects.

## Remove on Premise Dependencies

There are several systems within the web application which use corporate resources, and those resources will not be moved into the cloud. For instance, the user management service uses a central Microsoft SQL Server 2008 instance. Once the software moves to the cloud, there will not be a concept of a central shared database. This requires that software component owners to identify these dependencies and remove them.

## Integrate Disjoined Systems

The company has roughly 120 engineers which are working across fifteen feature teams. Each team is assigned a different area of the release and working in silo. There needs to be a strategy which the different silos can converge and form the end to end customer experience.

To accomplish this, there must be well defined data and service contracts so that each component knows what they will be sending and receiving. The architecture team also needs to have well documented patterns so that communication between the components is consistent.

# Milestones and deadlines

## Alpha Release

This engineering effort needs to start in January, and be ready demo individual components working by March. At this stage, there will be simulated traffic and the system will end to end experience will not be operational. The deployment solution also needs to be available at by the end of this milestone.

## Beta Release

Between March and July there needs to be an integration effort which gets the systems to communicate with each other. A lot of time and energy needs to be invested into making the system highly reliable and production ready.

## RTW Release

Finally, between July and beginning of August, the system needs to be provisioned into the production environment. The quality bar needs to be very high and there can be few changes permitted into the system. Otherwise there is regression risk and customers may experience outages.

# Tasks and Task Ownership

Each feature team will need to implement the action items listed above, this is because they are the experts in their respective parts of the code. By distributing the work amongst everyone it also increases the chances that the effort is finished on time.

There will also need to be some level of cross communication between feature teams, so that work can be negotiated and dependencies come together correctly. These tasks need to be identified, and a team lead should be responsible for overseeing those requirements.

The operations team will be responsible for provisioning the deployment system, and setting up the billing requirements with the cloud provider. After they complete that work, it will be the responsibility of each team to integrate their changes into the operation team’s environment.

# Resource Allocation

For each of the feature teams to be successful, they need to have a complete team with engineers, operations, project managers, quality assurance, and leaders. If there are insufficient members on a team, then that team will have challenges completing large projects.

Those teams must also have access to software resources needed to perform their job. These would include access to cloud resources, software editing tools, physical laptops, an office building to work from, and Internet access to name a few.

# Recommend any organizational change management strategies that may enhance successful implementation.

One of the challenges of the organization is that it leverages a matrix topology, where multiple leaders share the same engineering resources. Under a matrix organization there is a potential benefit that there is more communication among all employees (Robbins & Judge, 2014). However, this adds scheduling contention as many people want many things from the same resource.

An alternative approach would be a functional organization, which has one manager for each employee. When there is clear reporting of employees then their priorities can be easily set and managed. There is also more direct communication as there is only one channel to listen, instead of many.

# Develop key success factors, budget, and forecasted financials, including a break-even chart.

The project will be successful provided it costs less than the current system, and it can be completed on time. There are many factors which come to into play when evaluating the future forecasts. For instance, how many staff will be repurposed versus removed? Or how many redundant deployments are needed to have a fault tolerant system? Or how efficiently can components communicate together, in practice?

Maintaining the production environment will cost roughly 250,000 less per year after moving to the cloud. This would make the break even on maintenance occur after six month to one year. The cost of software engineering is not included in the analysis as they are a sunk cost, which excludes them from analysis (Kimmel, 2014).

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Private Datacenter | Item | Quantity | Cost | Cost/Year |
| Servers | 10 | 15,000 | 50000 |
| Hardware Engineer | 3 | 60,000 | 180000 |
| Networking Engineer | 3 | 75,000 | 225000 |
| Software Licensing | 1 | 25,000 | 25000 |
| Support Contract | 1 | 100,000 | 100000 |
|  |  |  |  | **$580,000** |
|  |  |  |  |  |
| Cloud Solution | Compute Hours | 36500 | 1.5 | 54750 |
| Network Gigabytes | 10000 | 0.25 | 2500 |
| Storage Terabytes | 15 | 240 | 3600 |
| Hardware Engineer | 2 | 60,000 | 120000 |
| Networking Engineer | 2 | 75,000 | 150000 |
|  |  |  |  | **$330,850** |

# Create a risk management plan including contingency plans for the identified risks.

The biggest risk to the business is a failure to deliver the new system on time or with high enough quality. This would cause the release to be delayed until the next school year. By that time, competitors might catch up and seize the opportunity. To mitigate these risks the business needs to realistic estimates of time required to complete each task. There also needs to be a clear understanding of which asks are must, should, or nice to have (Robbins & Coulter, Management, 2014). That would enable the business to cut additional features while still delivering a complete solution on time.

The second risk to the business would be that the new system costs more than the old system. Public cloud solutions are based on micro transactions, and can easily cost thousands of dollars more than initial estimates. This is especially the case during the development phase, where numerous additional resources are provisioned to handle different builds of the product.

# Conclusion

## Week 1: Values and Strategies

Using the strategic management process, it is possible to determine areas of investment. Once those areas have been identified strategy can be executed and the results measured. As the company performs iterations of the loop, they will drive closer toward a more efficient solution.

However, the company needs to initially kick off the SAP loop-- by figuring out what their business wants to accomplish. This requires a clear mission and vision statement, along with a plan to motivate and innovate people. If they lack any of these components the strategic management process will lack the human capital required to succeed.

Lastly businesses need to be ethical and apply corporate governance. These ensure that the business will be sustainable and deliver a product that agrees with the customer’s moral compass.

## Week 2: Environmental Scan

Business does not take place inside of a vacuum, which requires the leadership teams to understand the external environment that drives their decisions. Successful companies will seek to be proactive instead of reactive, which can be accomplished by: scanning, monitoring, forecast, and assess changes around them. The results of this process can be fed into the strategic management process, to further focus on creating value for the customer.

There are many aspects to the environmental of the organization, such as: economic, political, and demographics too name a few. As these areas change there are risks and rewards for the company to seek out. However, it requires a clear understanding of how these systems interact with the business. For example, a growth in Spanish speaking students led to the STAR Spanish Reading product.

Renaissance is well positioned to execute within this environment as they as a well-established brand, and have long term relationships directly with the school districts. The company needs to be causious competitors do not pop up within their prosperous industry. It is becoming both more lucrative and cheaper for new entrants as time continues onward.

## Week 3: Internal Environmental Analysis

Renaissance has a unique internal environment which is caused by years of acquisitions across the country. The business has needed to learn how to design an organization structure which accommodate these decentralized branch offices of employees. To stay competitive, they also need to analyze the strengths and weaknesses that this can create within their company. These analysis, need to take place across the general, industry, and external environments. This will ensure that the right opportunities are being seized.

While the company does not currently have any significant competitors, they need to be ever vigilant that new businesses do not emerge within their market. Another risk to the business is not having the right internal organization structure. This can lead to the company having poor performance, such as caused by a lack of communication.

Overall the business is well positioned to retain their market leading position and continue delivering value for their numerous customers. The biggest risk for the business is that they slip quality or do something else, which drives away the customers. This means that the fate of the company is well rested within the hands of the company itself.

## Week 4: Strategic Evaluation and Recommendation

To stay relevant, companies need to plan and implement strategies, which make their organization more competitive across: business, corporate, and global levels.

This exercise causes them to look at who, what and how they will service the customers. Next the make-up of the corporate posture is examined, which sets the direction of the company and how they plan to diversify, choose pricing models, and broad cross brand messages. Lastly international strategies allow the company to focus on how to reach the most customers possible. It also creates the opportunities to diversify who is buying their product, reducing risk.

Once these steps are complete, it is possible for the business to see gaps in their current strategy and how they can improve. For example, adding a Spanish and science content area. These products would allow the company to upsell their existing clients or move into new markets. Another example would be to resell their existing content in other English speaking countries, as this would be highly profitable without increasing costs.

## Week 5: Implementation Plan, Strategic Controls, and Contingency Plan

The business will be able to save money by moving their operations to the cloud, instead of relying on a private data center. However, the implementation of this strategy will touch every area of the business. Thought needs to be given to ensure the delivery of a unified product delivery across the different functional units.

There are also several high-level action items that need to be broken down into tasks for the feature teams to perform. As they perform the tasks they need to be causious of where in the schedule they are. If they exceed any time limits, there is risk to the entire corporate strategy. To mitigate those scheduling risks, leadership teams need to have a list of items they are willing to cut.

The organization might also find value in revising their organization structure so that there are more clear lines of communication. Though none of that will matter unless the project is completed on time and on budget. It appears that the project will start to save money within the first year and make the company even more competitive going forward.

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