
PUBLISHED BY
bookboon
David McKean
IT Strategy & Technology Innovation

David McKean

IT Strategy & Technology Innovation

IT Strategy & Technology Innovation

ISBN 978-87-403-0118-2

Contents

About the author and IT Leaders

David McKean is a former CIO, having worked for several multi-national companies around the world, including AT&T ventures in Asia, UPC Nederland in Holland and C&W UK. He is now the managing director of IT Leaders Ltd, a leading provider of IT management training. He has worked alongside some of the top IT leaders in the business and shared experiences with countless IT managers and CIO's from around the world. It has helped him to understand what it takes for an IT manager to be successful.

IT Leaders runs public courses, distance learning programmes, blended learning and in-house courses. Public courses are run regularly at Henley on Thames in the UK and other locations world-wide. All IT Leaders programmes are accredited by the Institute of Leadership and Management and presented by former CIO's and senior level directors. Delegates include IT managers from all companies world-wide of every size and industry. Some of our larger clients include Accenture, Allen & Overy, Alstom, Amey, BG, Boeing, BT, Capita, Debenhams, DHL, HP, HSBC, John Laing, Philips, Rothschild, Royal Bank of Canada and Siemens.

The IT Leaders programme looks at 8 key IT leadership skills, including organizational politics for IT managers, leading IT teams, business and IT strategy, technology innovation, crisis leadership, business change leadership, senior level influencing and corporate leadership.

The IT business management programme topics include IT to business alignment, business relationship management, communications skills for IT managers, operational excellence and managing IT teams,

The IT commercial management programme is run jointly with Mayer Brown, a leading provider of legal services in the IT sourcing market. Topics include IT sourcing frameworks, creating a sourcing strategy, key contractual considerations for IT managers, service level agreements, negotiation strategy, negotiation skills, vendor assessment and finance for IT managers.

The blended and distance learning programmes are available world-wide and are based on the 10 management skills model developed by IT Leaders. Courses are live and interactive, using on-line seminars, e-learning and assignments backed by a comprehensive course guide and mentoring from the course leader.

IT Leaders also runs a vibrant network of IT Managers, available to former delegates and all other IT managers for a small annual subscription. The network group is vendor independent and meets three times at Henley on Thames in Oxfordshire (and on-line), to listen to top leadership and management presenters as well as discussing key topics of interest. There is also a LinkedIn IT Leaders network which is open to IT managers from all disciplines. The best way to join is to connect to the author David McKean and request an invitation to the network.

This book is based on the experiences of our delegates and additional interviewees. If you have any comments or management learning that you would like to be considered for future editions, please feel free to email me at david.mckean@itleaders.co.uk

You can also purchase David McKean's printed book IT Management: Managing People 1 on Amazon.

1 An introduction

This book is the second of four in our IT management series. It covers how to develop an IT strategy aligned to a top level business strategy. Other books in the series cover IT management skills for managing people, projects and operational performance respectively. The outline of the books in the series is shown in table 1 below.

Book 1 - Managing people Managing yourself Managing IT teams Business relationship management Working with senior execs	Book 2 - IT strategy and technology innovation Business strategy IT strategy Technology innovation IT governance & alignment
Book 3 - Managing IT projects & leading change Project & programme management Risk management Leading business change Project portfolio management	Book 4 - Business management & operational performance Technology sourcing & negotiation Finance for IT managers Operational excellence Crisis handling & problem solving

Table 1 - Outline of IT Management Series

In putting together this series of books, I spent some time asking the fundamental question, "What do IT managers want to know to do their job better?" The responses I have got suggests that managers want to know some of the background, but more importantly are interested in the experiences of other managers, identifying what has worked and what organizations have done to help themselves excel. It is also clear that an outline of business strategy, what it means, how companies develop it and what goes wrong in the process should also be included.

This book is intended to act as a guide for managers who are involved in any or all aspects of creating IT strategy and its alignment to the business. We present a process that we have developed over a number of years and has proven successful for many organizations. You might look at it and think that it isn't rocket science, and to some extent you would be right! But if there is one thing we have learnt about strategy, it is that to keep it sharp, crisp and simple takes a lot of time. It is so easy to lapse into the habit that more information is better.

Strategy is about making choices. You cannot sit on the fence. We use an analogy from sport. Imagine you were equally good at long distance running and weight lifting. If you trained for both, you would inevitably fail at both. Strategy is very similar. You need to decide what you will be good at and do this. Often the most satisfying part of creating strategy is the elimination of existing burdens, such as stopping unnecessary projects, turning off antiquated systems or simplifying processes.

John's story
I had just joined a utility company and has been asked to develop an IT strategy. I was given an example of what was expected by my predecessor. Given that my predecessor had moved on under a bit of a cloud, I was thankful but slightly suspicious.

The main strategy document was about 80 pages long with additional information in the appendices. In other words, it was more like a detailed business plan. There were pages on budgets and specifically, it had been developed as an extrapolation of the past. I didn't consider myself a 'strategy expert' but one thing I did know was that continuing to do what had always been done wasn't necessarily a recipe for success.

Looking back, there were a few things that I did that proved to be the key to our success in creating a good plan. The first was to find someone who could advise me on how to develop a strategy. Secondly was to heed their advice that strategy must be kept at a high level. Third, I spent time with the key business leaders to understand their priorities, and fourthly, I involved my management team at the appropriate level to help put together a coherent plan that was supported by the key players.

2 What is strategy?

If you were to choose a word from the business dictionary that conveys the most power or importance, it would probably be strategy. Every executive recognizes that a good strategy is essential for success. But surprisingly, only a few could define it with any level of precision.

I have been fortunate to work with 100's of IT professionals in this area and come to understand some of the biggest misconceptions in the world of strategy. In this book, we will of course explain what is meant by strategy. We use the dictionary definition and a slightly extended one, based on common sense. Contrary to popular belief, creating a strategy is dead simple. It is creating a good one that is difficult. So we also discuss the real points of emphasis that will move a strategy from being good enough, to being very good.

Finally, of course, this book is about IT strategy rather than strategy in general. We are assuming that you are an IT professional who is interested in the essence of creating good IT strategy. You therefore probably work in the IT department, most likely of a larger company. You therefore need to create an IT strategy that meets the needs and priorities of the business. To this end, we spend the first part of this book describing the important aspects of developing a business strategy so that not only can you converse with your colleagues in the rest of the business, but you will also be able to involve them in creating a high quality IT strategy.

2.1 Definitions of strategy

The word strategy can be very confusing. Different people use it to mean slightly different things. It is sometimes used to mean a major activity as in "one of our strategies is to implement SharePoint." Sometimes it is used to express a future outcome such as "our strategy is to increase our international market share." We even hear some managers use it to mean "very important" as in "I am working on a strategic project for the board." Each of these uses is slightly erroneous. It is not an activity or an outcome, but in fact a combination of both, specifically:

> *Strategy (n)* - A plan to achieve a long-term aim

The word strategy comes from the Greek strategos (plural strategoi; Greek στρατηγός) meaning "army leader" or "general". The derivation of the word helps us to understand the modern dictionary definition. It is really important to grasp both components. So, at the risk of repeating myself, strategy has a long term aim and (very importantly) a plan to get there.

To make the definition more applicable to business and IT strategy, I suggest the following amended version (reference, FastTrack Strategy, David McKean[1]) as follows.

> *Strategy* - Defining the best future for your organization, mapping the route to achieve it and communicating it clearly to the organization.

There are four important aspects to this definition.

1 'Fast Track Strategy,' David McKean, published by Pearson

1. Strategy is about achieving the best future, not just the most obvious or an extrapolation of the past.
2. It has to be achievable
3. There needs to be a clear and logical route to achieve it (the plan we mentioned earlier)
4. Finally, it needs to be communicated to the organisation for it to become reality (not part of the formal definition, but I think we all agree that a strategy is of no value if no-one knows about it)

We should of course remind ourselves of the real point of strategy, which is to help us achieve higher goals, more profit, bigger market share or whatever the measure of success happens to be. What strategy does therefore, is allow the whole organization to understand what their goals are, and more specifically, what their role would be in achieving them. I would like to also emphasise the two very clear components of strategy. There is the end goal and there is the path to achieve it. There are many routes to achieve any end goal, so it is important that everyone knows which path has been chosen. This means that everyone is working on the same activities, rather than being spread across different paths.

I use the term 'end goal' deliberately. We often hear the word 'vision' in the context of strategy. So, just to be clear, vision is normally a high level, sometimes emotive, and usually broad (i.e. vague) end goal. It is a very important aspect in guiding any organization. However, to identify a proper end goal, the vision needs to be combined with some quantified objectives.

A short footnote before we continue. This book focuses on creating an IT strategy to support the high level business goals. We talk about non-IT departments as 'the business.' Although IT is clearly part of 'the business,' I think the term is so widely used as not to be worth changing, and I use it in this same context here.

2.2 What goes wrong with strategy?

It sounds easy, doesn't it. Of course, it isn't. Many companies (dare I say the majority) create a strategy, but do not receive the benefits. And, in my experience, the benefits on offer are massive. I truly believe that a company that creates and communicates a quality strategy can improve its performance by more than 20%. In many cases, it is higher, and in some cases, of course, it is the difference between success and failure. So before we go further, here is a short list of some of the things that can go wrong, as witnessed by other IT managers.

IT strategy is done in isolation

Some organisations believe that it is solely the responsibility of the board of directors to develop top level strategy. And similarly, IT strategy should be developed by the IT department. Nothing could be further than the truth. Although strategy calls for some strong choices and should not therefore be created by consensus (remember our marathon running weight lifter), it should be a collaborative process involving input from the board of directors, all business department and key members of the IT team.

IT strategy is an extension of past activities

If an IT department has been doing the same things for a number of years, it is easy to think that the same formula will work in the future. The department confuses strategy (identifying the best future and mapping the route to achieve it) with long term planning (an extrapolation of the past). A good example of this is where a strategy is produced on the basis of a budget that has been handed down by finance. It may be a request to reduce costs by 10% for example. Crafting a strategy to meet this objective is dangerous in many ways. First of all, cost reductions may be only one of the high level (i.e. corporate) goals. Secondly, it may be possible to achieve much more than is requested, or conversely, it may potentially seriously damage the company, if for example, critical systems are neglected, or security compromised.

There is no structure or method.

This lowers the probability of success. Often the people who are responsible for strategy have used different methods in the past. This can cause a misalignment in how strategy should be developed, and that can be very time consuming. There needs to be a clear purpose and a structured process to follow. In the case of IT strategy, it is particularly important to align the activities of the IT department to the business and if each is following a different process, this can be very time consuming and frustrating.

Not enough time is allowed or it takes too long.

All too often people are too busy with day to day operations to stop and think, let alone plan the future. As individuals we may be too reactive – responding to one crisis or another. At the other extreme, strategy can be made too difficult, requiring senior management to be tied up full time for days. This damages the day to day operation and often the outputs from such assessments are too detailed to withstand the test of time. The right balance needs to be struck. Strategic planning needs to be kept apart from operational issues and carefully planned so it does not overly disrupt day to day activities.

Strategy tries to do everything.

Some companies treat strategy like they would New Year's resolutions, promising to be successful in areas that they had not been in the past. It becomes an additional list of things to do. An important aspect of strategy is not just what you do, but what you don't do. Organizations talk about focusing on many different things. By definition, focus can only be applied to a small number of priorities. One of the most valuable approaches an IT manager can take is to give their business stakeholders a choice of what could be done and ask for those options to be listed in order of value or priority. It then becomes possible to suggest either that a particular activity could be postponed (the alternative most likely to be chosen) or cancelled (less likely, but different to the first, only in that it seems so permanent!).

The strategy is not joined-up.

One of the most common problems is where the strategy 'does not add up.' If you look at our process in section 2.3, you will see that there are three key alignment points. First of all the IT objectives need to align to the high level business objectives. Secondly, the strategic projects need to be carefully chosen to align to the IT objectives, and finally the project resources required need to be aligned to the resources available.

For a strategy to be successful it needs to be integrated. Business sponsors need to know how many of their resources are required for each initiative, so that it is evident what can be done with existing resources and which need additional ones. All too often business stakeholders assume that the resource limitations only exist in IT. It is the role of the IT manager to explain the whole picture. By way of example, imagine a fictitious CRM system. In theory, with modern software development tools, the software screens and workflow could be substantially changed in an afternoon. If you have a large customer care department, though, it may take months to training the users. In this case, the balance of work is clearly with the business. This needs to be fully considered when IT strategies are developed.

Strategy is high level with no clear plan of activities.

Strategy has to paint a high level picture, but if it is not grounded in practice, it risks being unachievable or inappropriate. It also needs to create a sense of urgency and act as the catalyst to kick off the key projects. Practical considerations mean that these initiatives should be done in order of priority. A clear plan will also tell the organisation what is expected of individuals so that they can support it. This is an important step because it demonstrates that strategy is not a paper exercise, which in turn helps to gain commitment.

Strategy is not communicated.

The best strategy in world will count for nothing if it is not well communicated. Different types of communication are required for different audiences. Board presentations might require a detailed presentation of financial growth and investment. Presentations to a wider audience might focus more on telling stories that illustrate what success looks like in terms that people can relate to in their day to day work. I came across an example in one of our clients recently. A very strong strategy had been developed, with a list of high level objectives, corporate programs, priorities and values. However, when I polled some of the managers I happened to be working with, only half had actually realised that it existed. It is a bit like building a racing bike, and forgetting to put on the saddle.

Strategy is not flexible

Strategy needs to be flexible and agile to quickly take advantage of new opportunities and threats. Reviewing strategy just once a year can often be insufficient as market forces change quickly. Regular reviews of strategy are more effective than a large planning exercise once a year. One of the characteristics of successful IT managers is identifying and stopping activities that are either no longer relevant, or not of a high priority.

No-one knows when it has been successful

Measuring the success of strategy is very important. Metrics should mean something to those who are responsible for delivering results. So for example, many help desks have call answer time as one of the key metrics. If this is not combined with other quality metrics of first time fix rates for example, it can be counterproductive - answering calls quickly without solving user problems rather misses the point.

2.3 A process and some guidelines

There are many models for developing business strategy, but few for IT strategy. The model shown here is one we have developed over many years. It provides a good structure for building a high quality and business-aligned strategy. It consists of 6 phases:

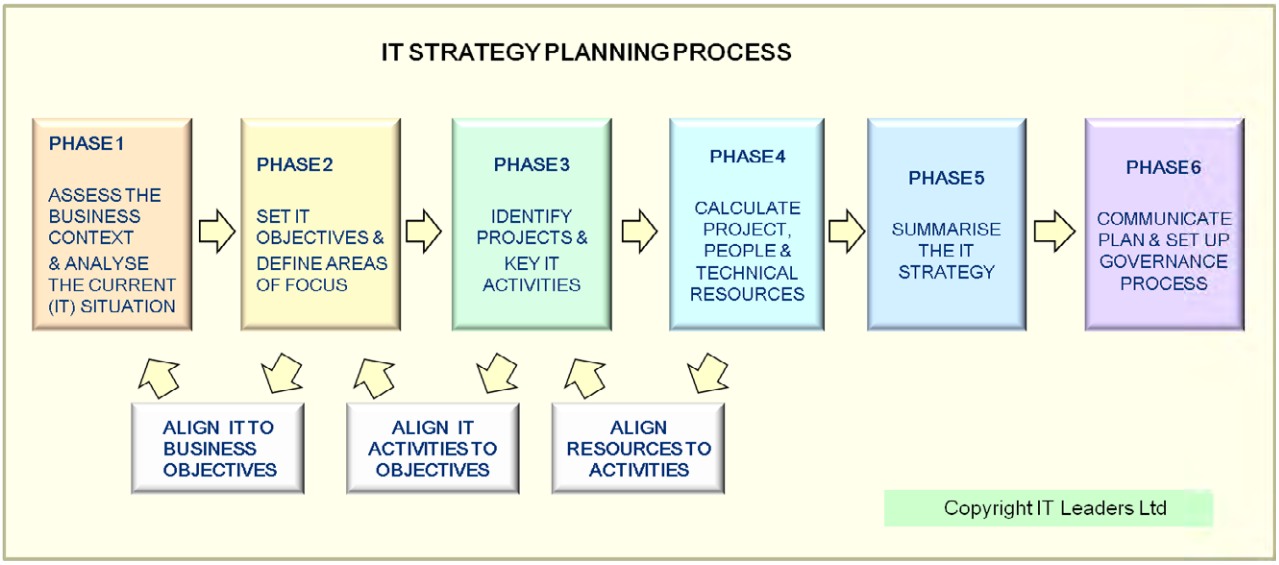


Figure 1 - Outline of our IT strategy process

Over the last few years, my team and I have put together a few guidelines from the experiences of delegates that you may find helpful:

Choose your stakeholders carefully

With regard to stakeholders, you probably know who you want to include in your planning. Generally this will be the senior managers or directors. Ensure that you have representation from all of your key stakeholder groups. You will however have some flexibility in exactly who is in your stakeholder team. So take care that you choose people who will contribute and support your planning activities.

Try not to have too many stakeholders otherwise you will find it difficult to get agreement. Similarly if you do not have enough, you risk the plan not being aligned to the business priorities. Meet with your stakeholders early on in the process. Get as much clarity around what they are looking for from the plan. Outline the process you will be following and the timescale to complete each step.

Less is more

There is a lot of confusion around strategy. Managers create a lot of extra work for themselves to mask their confusion about what they are trying to achieve. Their hope is that in amongst the various detailed documents, spread-sheets and presentations, their bosses will be able to sift what they need. And that is unfortunate. Because strategy is exactly the opposite of detail. You can be pretty sure that if you develop your plan at a detailed and granular level, you will have a list of tactics, not a high level strategy.

Keep it high level

Strategy is about simple high level clarity. If you do it right, you should be able to create a strategic plan within a few days. Stay at the high level while you are building the framework before adding the detail. If you include the detail at the beginning, you will have to re-do it every time you make a change. Much better to do the high level stuff first and then add the detail in afterwards.

Don't boil the ocean - create an initial hypothesis early

When top strategy consultants start a new assignment, they will typically have a very good idea of what needs to be done within a day or two of starting an assignment. This might surprise you, given that they don't know anything like as much as you do about your business. They call this first idea an 'Initial Hypothesis', and although they may spend several weeks verifying the data (or how else would they be able to make a living), it is rare that they need to change it. Their approach is to bring in the experience they have gleaned from other clients and match it against your situation. Extending what works and what doesn't from similar situations elsewhere means they can quickly get somewhere close to the right solution (the initial hypothesis).

You on the other hand, know your business better than anyone and so you should be able to sketch out at a high level what your plan might look like. Avoid theoretical navel gazing. Move quickly to what you think the answer is, and then validate your findings. i.e. get your management team and senior sponsors to validate your straw man. Don't go into a meeting and try to create the plan from scratch. You will probably end up at the same place, but boy will it take a long time!

Don't confuse objectives with means

In our strategy work, we make a very strong distinction between the outcome you are trying to achieve and the means to achieve it. So for example, I sometimes come across an objective which reads 'reduce costs by consolidating 3 data centres to 2.' Later we will identify this as what we call a 'strategic statement,' i.e. a statement which combines the objective (reduce costs) with the means (consolidating data centres). Do not jump straight away to the solution. Identify your objectives first, look at all the options for achieving them, and then choose the most appropriate ones.

Keep looking for better ways to achieve the same or better results

Look carefully at what is being proposed. The solutions put forward are certainly not the only ones that are possible and often not the best ones. So be on the look-out for solutions and ideas that aren't up to it, remembering that not all ideas are good ideas.

Things don't happen by magic

One of my biggest bug-bears with many strategies is that they put forward bold targets but with no guidance as to how it they are to be achieved. To use the analogy of the strategy of war, it is not sufficient to say we are going to attack our enemy from behind and take them all prisoner. You need to know which battalions will take on the task, how will they get behind the enemy and you need to be assured that you have the troops and weapons. So, making bold statements about process efficiency gains and cost savings are worthless without a clear view as to how they will be achieved. Things won't happen by magic.

Strategy is not a perfect science

And finally, recognize that strategy is not a perfect science. It has a finite life as market conditions and business priorities change. The French have an expression that translates roughly as perfection is the enemy of the good which certainly applies to strategy, even if not much else!.

3 What you need to know about business strategy

This chapter summarize six of my favourite references and thoughts from the world of business strategy. It is a selection of strategic thinking that you are likely to come across in company-wide discussions on strategy

They are specifically:

1. Three key strategic principles - from Michael Porter's ground breaking paper 'What is strategy?' [2]
2. The Balanced Scorecard method for developing strategy - the process that Kaplan and Norton developed that uses their balanced scorecard as the basis for a company-wide integrated strategy
3. The 6 P's - a checklist for marketeers to analyse products in different markets
4. Porter's five forces - a concept again developed by Michael Porter for assessing competitive advantage
5. Mission, vision and values - three key entities for summarizing corporate strategy
6. The extended Ansoff matrix - A way of summarizing strategy by showing strategic emphasis for different products in different markets

To put it in context, let's go back to our original definition. This was about defining the best future for the organization and mapping the route to achieve it. The diagram below shows our starting point A and the future situation B which has been chosen as the best strategic choice from several options. In creating strategy, therefore, we need to measure point A (our current situation), define our target (point B) and work out the difference, which tells us what we need to do (the strategic plan).

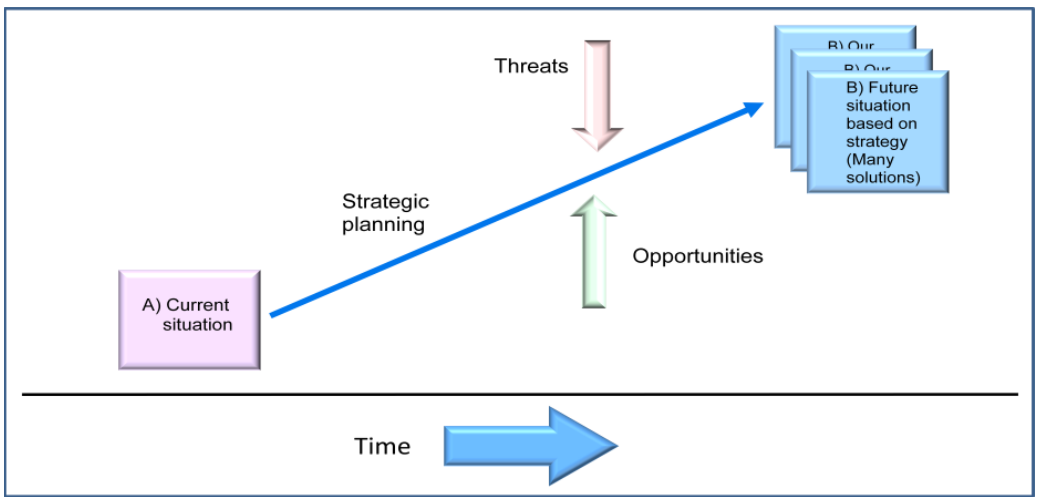


Figure 2 - Strategy at its simplest - a plan to achieve a long term aim

2 'What is strategy?' Michael E Porter, published by Harvard Business Review, (product no. 4134)

3.1 Michael Porter - three principles for setting strategy

In his paper, 'What is Strategy,' Michael, Porter identified three key principles for setting strategy which I have paraphrased here:

1. Strategy is the creation of a unique and valuable position. Whenever you position your products, you will need them to have a competitive advantage over others, and the greater this competitive advantage, the more valuable will be your strategic position. Maintaining this competitive advantage is at the heart of all strategy.
2. Strategy is about focus. You cannot expect to sell every product in every market and so you will need to make trade-offs in competing. This is all about focus and of course by definition you cannot focus on many different things. Think of it as a bit like training for the Olympic Games, if you are undecided as to whether to enter the marathon or to enter the weightlifting competition and decide to train both you can guarantee that you will fail in both.
3. The final principle of setting strategy is to make sure that the future you define for your organisation has a good fit amongst your company's activities. Although you may want to develop existing capabilities or moved to new markets, it would be unrealistic to completely redesign everything you currently do and expect to be successful.

3.2 The Balanced Scorecard approach for developing strategy

In the 1970s and 1980s companies were starting to recognize that focusing purely on the hard aspects of business was not necessarily the route to success. The work was started by Tanner Pascal & Athos who wrote the book 'The Art of Japanese Management.'[3] They identified that Japanese and Western companies were similar but differed in some important aspects. As a result they created the seven S. Model. Essentially they recognized that some of the softer aspects of management i.e. around people were extremely important to long term business success.

This theme was developed by Kaplan and Norton in the 1990s.[4] They recognized that not only did an organisation need to take care of these softer issues, but they needed to be measuring their performance in four specific areas:

1. Meeting customer needs and customer satisfaction
2. Internal business processes which also includes information systems
3. Staff performance, their skills learning and growth
4. Financial performance

After Kaplan and Norton wrote their first successful book, the Balanced Scorecard,' they also came to realize that many of their clients who had brought them in to develop a balanced scorecard, were in fact really asking for help in developing their strategy. Their second book, 'The Strategy Focused Organization' [5] put together a very tidy model for developing strategy. It essentially described a four step process:

1. Identify the key (balanced scorecard) objectives at the corporate level
2. Define a number of corporate programs (large projects) to achieve these
3. Create departmental objectives that have a 'line-of-sight' to these programs and hence the corporate objectives
4. Cascade these to the individual employees' objectives

I have been fortunate to have worked for a company that adopted this high level approach. The end results that the business delivered were extraordinary and were helped enormously by a clear and concise process.

3.3 The 6 P's

Let us move on to the next step, analyse our current situation. One model often used by marketing is the six P's model. This evaluates how well each of our products is operating in each market segments and is an important analysis tool for any high level strategic discussion.

The six P's analysis is a marketing tool that starts by looking at:

1. Place, in other words the market place where each product is targeted.

3 'The art of Japanese Management,' Richard Tanner Pascale & Anthony Athos

4 'The Balanced Scorecard,' Robert Kaplan & David Norton

5 The Strategy-Focused Organization,' Robert Kaplan & David Norton

2. Promotion - what is the best way to promote and sell the product (advertising, direct sales etc.)
3. Product features - what features are most valuable for which market
4. Processes required for effective sales (e.g. sales, customer care etc.)
5. People, their knowledge and skills
6. Pricing - elasticity, discounting structures etc

3.4 Competitive advantage - Porter's five forces

Another useful assessment of the current situation uses a model, again developed by Michael Porter called Porter's five forces. The model looks at the market forces that each product has on it which in turn gives an indication of its competitive advantage.

1. The first force is direct competition. Clearly the less competition the better. However, if there is no competition, you might want to ask why. Rather perversely, having competitors around can be quite re-assuring!
2. The second question relates to new entrants. Even if there are no competitors today, how easy would it be for new competitors to set up and take a share of your market. Obviously, the more difficult the better. This is called the barrier to entry. High barriers to entry usually come about because a large upfront investment or specialist skills are needed.
3. The third question relates to what are called substitutes. A substitute is not a direct competitor, but rather another product which competes for the same customer spend. A good example might be cinema's and restaurants. Clearly they are not direct competitors in that if you want to go out for dinner you will go to a restaurant and if you want to watch a movie you will go to the cinema. But they are substitute competitors because they are competing for the same entertainment spend.
4. The fourth force is that wielded by suppliers. Do you have products that are dependent on a small number of suppliers? If so this will count as a strong force. Ideally you want lots of suppliers so that you can get competitive pricing and keep your costs low.
5. Finally the fifth force is that created by customers. You want many customers to buy your products.

So to summarise, you will have a high competitive advantage if you have low levels of competition from direct competitors, new entrants or substitute competitors as well as a large number of possible suppliers and a large potential customer base.

3.5 Mission, vision and values

The last two sections (3.3 and 3.4) have looked at assessing the current situation. Now we move on to defining the future. I believe that the future situation should be defined at both a high level as well as at a more granular level (via quantified objectives). Mission, vision and values are a very common guide for expressing the future at the high level. I have added a fourth, competitive advantage.

1. The mission defines what your organization is going to do, as in Mission Impossible e.g. 'your mission, should you choose to accept it, is to ....' The only difference, I guess, is that in business, you don't really have the choice as to whether you accept it or not.
2. Vision is the high level view of what your organisation (or indeed the market) will look like in the future. In researching the book FastTrack strategy, I came to recognize that many companies do not make a clear distinction between mission and vision. The semantics of these two are not important. What is important is that sufficient guidance is given first of all to create a strategic plan and secondly for employees to understand what needs to be done.
3. Values are about the model behaviours and guiding beliefs of the organization. There should be evidence they exist. For example, it would not be credible to have a set of beliefs that talks about valuing employees, if the company has a reputation for laying people off.
4. Competitive advantage - Going back to the principles of focus and the idea that you have to choose your specialisation, you need to be clear on what your organization does that really sets it apart. This area of expertise or excellence will be right at the heart of your competitive advantage. A similar concept was identified as 'driving force' by Tregoe and Zimmerman in their book 'Top Level Strategy.' [6] This is a really excellent (and short) book on the essence of strategy.

6 'Top level strategy,' Kepner & Zimmerman

Finally, make a note of the key assumptions that your business strategy is founded on. They may include predictions about market changes, the effectiveness of technology or they could be statements that certain things will endure. Either way, when you review your strategy in the future and there is evidence that these assumptions no longer hold true, then the strategy should be reviewed.

3.6 The Extended Ansoff Matrix and strategic emphasis

Returning to the wisdom of Michael Porter, one of his key insights was recognizing that all of companies activities are ultimately directed to its products and markets. He recognized that you could effectively identify the strategy of any company by looking at how it will change the products it sells and the markets it will sell to. From this he concluded that the most fundamental strategic question is "What should the scope of our products and markets be?"

One of the best ways to represent this is with an 'extended Ansoff matrix.' An example of this is shown in figure 3. The diagram has a number of different rows, each of which represents a group of products or services. How you group your products and services together is entirely your own decision. There should be enough groups to make the analysis useful, but not so many that it becomes unwieldy.

We then have a number of different columns, each of which represents a particular market segment or group of customers. In some extreme situations one: can in fact represent one particularly large or valuable customer with its own column. Again how you divide and segment your markets is entirely up to you. Look for the market segments to be autonomous, in other words not overlapping each other. Markets can segmented in different ways - examples include segmenting by region, age or by customer value.

Products and services divide into three types. You have current products, modified products and new products. The market divides in a similar way, so that you have the markets that you currently serve, extended markets that you could move into and indeed new markets. The matrix now divides into what are called product market cells. In the example here, three current product groups and three current market segments give us nine product market cells. These are the ones in the top left of the diagram and represent our current business.

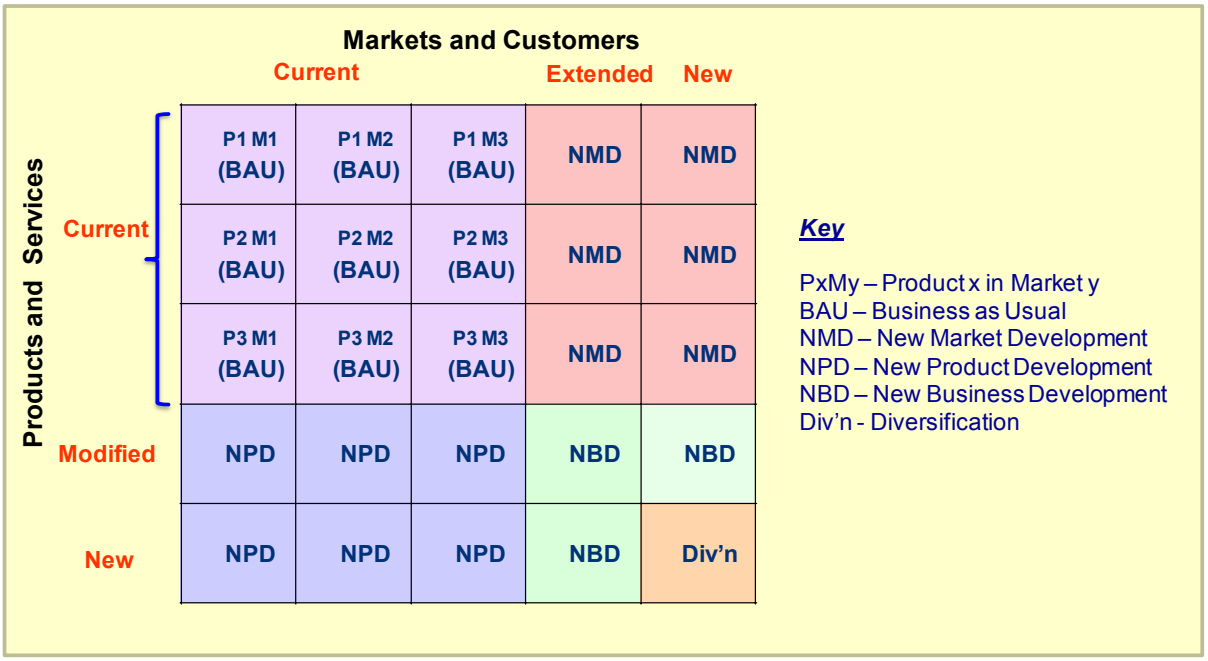


Figure 3 - Segmenting products & markets

In fact, the diagram shows five 'product market groups' in total. Your overall marketing strategy can be defined in terms of the emphasis across the Ansoff matrix. There are 7 broad strategic options:

1. Maintain a steady course - this is where we continue to sell our existing products to our existing markets
2. Rationalization - this is where you either stop selling certain products, or reduce the number of markets you operate in.
3. Modify or create new products to sell into the current markets. In the diagram these are shown in blue and these cells represent new product development.
4. Extend the markets of the existing product portfolio, by launching into extended or new markets. These are shown in pink and represent new market developments.
5. Selling modified products into the extended and new markets or selling modified and new products into extended markets. This is shown in green and represents new business development.
6. Diversification - selling new products into new markets
7. A combination of the above (the most usual choice)

You might find it interesting to evaluate your own organisation in terms of this Ansoff matrix. When you have identified your product groups and market segmentation, look at each of the products market cells in turn.

For each cell, think about whether it is expected to grow, stay flat or reduce in size. Mark the cell with an arrow pointing upwards if you think the cell will grow, a horizontal arrow for flat growth and an arrow pointing downwards if the market will reduce in importance. If you think you should exit from selling into that particular cell, mark it with a zero. If no revenue currently exists or will exist for that cell in the future then mark it with an x. The diagram below gives an example of a company that is looking to do the following:

1. Grow all existing products in market 3
2. Grow product 1 into an extended and new market
3. Develop a new and extended product for existing market 1
4. Stay out of any other markets

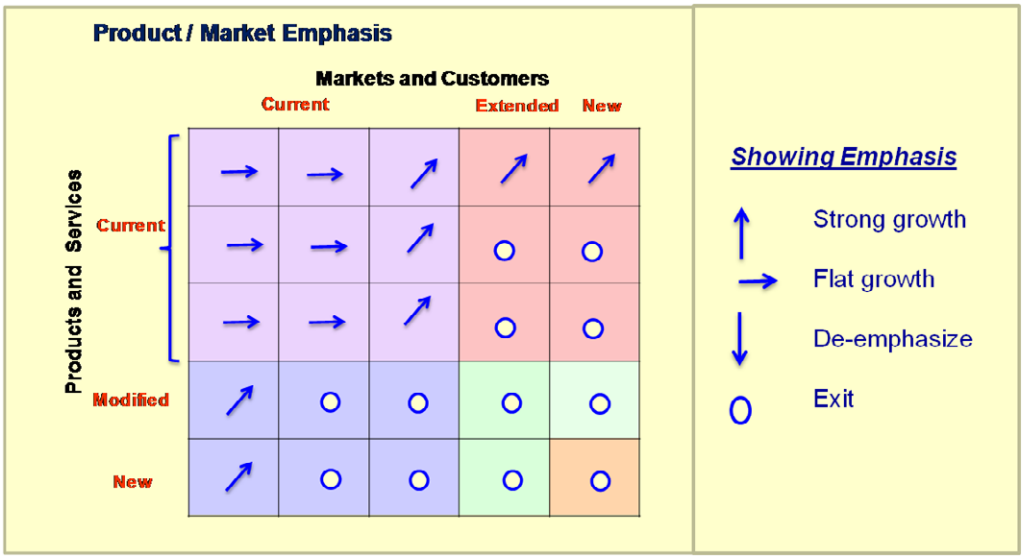


Figure 4 - The Ansoff matrix showing emphasis of products and markets

4 IT strategy phase 1 - Getting your bearings

4.1 The business context

The previous section talked about some ideas for developing business strategy to give us confidence in getting involved in the process. To create a good IT strategy, it goes without saying that we need to know the business context. And it would be easy to assume that we can find this from the business strategy. In practice, though, this is often not the case. The IT department is frequently (in about half of cases, from our experience) required to develop the IT strategy without any clear top level strategy. Even so, if we are smart, we should still be able to create one.

One of the most common questions that arises out of the creation of IT strategy is "What information does the IT department need to know in order to create a fully aligned business strategy?" The answer, of course, depends, but invariably it is less than most people think. Yes it would be nice to understand the high level strategic themes and the detailed corporate objectives and priorities. But practical experience tells us that this is rarely what we get. In our view, the things you need are (in descending order of usefulness):

1. A full high level corporate strategy
2. The high level goals for the period ahead
3. Corporate programs
4. Mission, vision and values

Even if there is a clear strategy at the high level, you also need to have sight of the individual departmental strategies, e.g. the sales and marketing or customer care department's strategies. One of the most important things you can do before you rush into creating an IT strategy is to meet with each of your key stakeholders to understand what their plans and priorities are for the period ahead. And, if they do not have a clear picture in mind, it is the job of the IT manager to put (IT related) ideas forward for discussion and subsequent agreement. Ask them how well they think you are doing and what they are looking for from the IT department in the future. What aspects of what you provide for them today can be improved? Which projects that you are working on for them today are invaluable, which are high priority and which are of a lower priority? Are there indeed any projects that can be stopped or delayed?

In parallel with gaining a good understanding of the business context, it is necessary to take stock of how well you are performing as an organization. We suggest three techniques - the strategic canvass, PESTEL and finally a SWOT analysis to bring everything together.

4.2 Strategic canvas

The concept of the strategic canvas was originally put forward by Kim and Mauborgne[7] in the Harvard Business Review. The ideas were developed further in their book 'Blue Ocean Strategy.' [8]

7 'Charting your company's future,' Kim W.C. & R. Mauborgne, Harvard Business Review, 2002

8 'Blue Ocean Strategy,' Kim W.C. & R. Mauborgne, Harvard Business School Press

Their technique allows you to quickly see how you are performing against, say, 6 to 10 key criteria. Once you have identified the most important criteria for your stakeholders or users, you need to measure how well you perform against them. These can then be plotted as shown in figure 5, highlighting the gap between what we deliver and what the business wants.

	Performance criterion	Current level	Desired level (required by stakeholders / users)
Product	Suitability of applications	6	8
	Reliability	7	8
	Security	8	8
Process	Project management	7	9
	User support	6	8
	Operational excellence	8	9
People	Friendliness of staff	7	8
	Expertise	7	8
	Business awareness	5	8
Price	Return on investment for	6	8
	Operational budget	7	9

Table 2 - Example of performance criteria for the strategic canvass

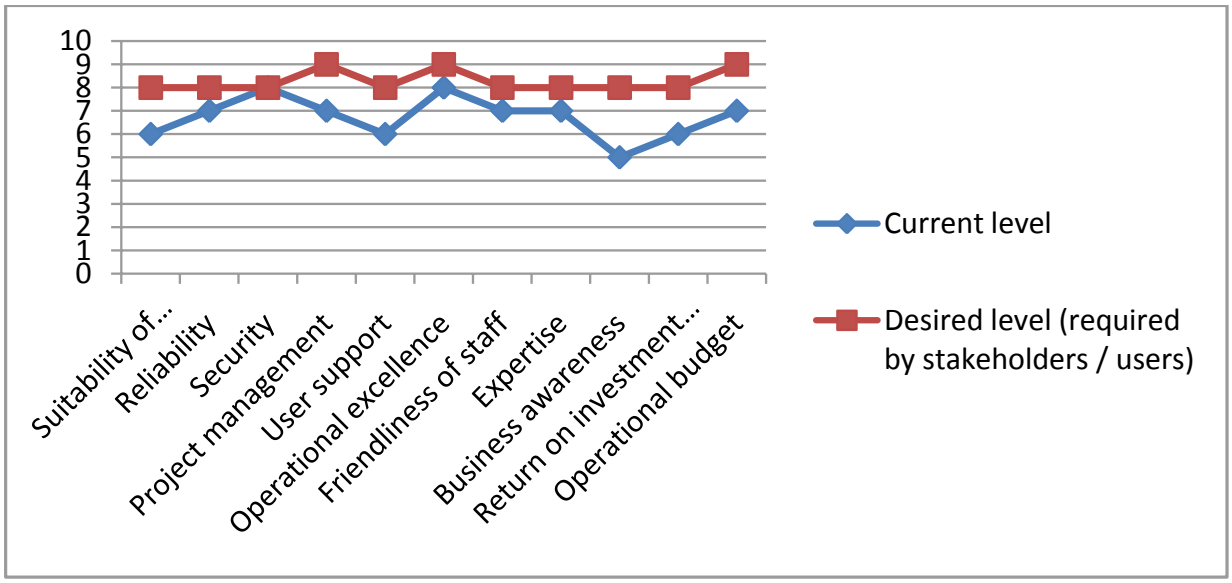


Figure 5 - A graph showing relative performance on the strategic canvass

This 'current situation' analysis, forms a good basis for analysing at a high level how the IT department might focus its efforts going forward.

4.3 PESTEL

PESTEL analysis is a general analysis looking into the external factors relevant to your strategic plan. PESTEL is a six letter acronym representing 6 areas you should evaluate, namely political, economic, social, technical, environmental and legislative factors.

Areas of influence	Outline of key issues	Possible opportunities	Possible trends
Political	How the political climate might affect IT, not just international or national politics but also politics within your own organization	Opportunities might be to work in new countries, exit countries that are politically unsuitable, or on a local level, look at projects that would be of particular relevance to the senior executive	Trends might include changes in political climates in previously unstable countries. Think about changing political currents in your organization and how this might impact IT.
Economic	Trends in local, national and international economics and how they might affect the implementation and operation of IT	Countries that are showing economic growth ahead of others. From an IT perspective, the focus is usually on currently on delivering better value for money.	Countries emerging from recession, different customer spending profiles. Top level strategy should give an indication for IT to align to.
Social	How the way society behaves in day to day and on-line activities	Think about social media and its relevance for improved productivity, job satisfaction and bringing people together. Also look at the negative side where it may be detracting for performance.	A trend that has been in place for many years, social networking will continue to change, to deliver higher levels of social interaction, better suited to personal and job satisfaction
Technological	The evolution of technology and how it will change the way we do business	Refer to the section on innovation to see how to develop your own view of how technology will change your own business	Trends are around increased networking, erosion of international boundaries, faster performance, SaaS and so on.
Environmental	How we need to consider the importance of the environment around us. Most recent trends in this area have been around green IT.	Improvements in sustainability and becoming 'greener' are vital for the future but need to be done in line with corporate strategy and energy	Green data centres, reduced power consumption, lowering carbon footprints (for example by reducing travel with better video conferencing)
Legislative	Understand key legislation that may affect your business from a technology point of view	This has included Sarbanes Oxley for example in the past, data protection etc.	Examples to think about might be health and safety, data protection, employment etc.

Table 3 - PESTEL analysis

4.4 SWOT analysis

SWOT analysis is a well known tool and we find it useful for bringing together all the different ideas from the previous analyses. SWOT, of course, stands for strengths, weaknesses, opportunities and threats. The idea is that you play to your strengths, look to overcome your weaknesses, take advantage of new opportunities and have a plan in place to mitigate the effect of any threats.

STRENGTHS What is the organization really good at – in the eyes of the customer and relative to the competition	WEAKNESSES What needs to be improved – in the eyes of the customer and relative to the best competition
OPPORTUNITIES What could improve business performance, looking at new markets, technology, social, political and economic trends	THREATS What could damage sales in the future – looking at new competitors, substitutes and existing competitors as well as other influences

Figure 6 - Outline of our IT strategy process

5 IT strategy phase 2 - IT objectives and areas of focus

5.1 Setting IT objectives

With the business context understood and an assessment of the current situation completed, the next stage is to define the future position. There are two components to this - a high level view, typically defined by the high level mission, vision and values and the quantitative view, defined by objectives. With IT strategy, it makes more sense to focus your energies on developing the IT objectives. These align with the high level or corporate objectives where these exist. Set objectives in the four areas of the balanced scorecard, (amended slightly for the context of IT) as follows:

1. Users and business sponsors (these correspond to the customer in the original model)
2. IT processes
3. People and organization
4. Financial metrics.

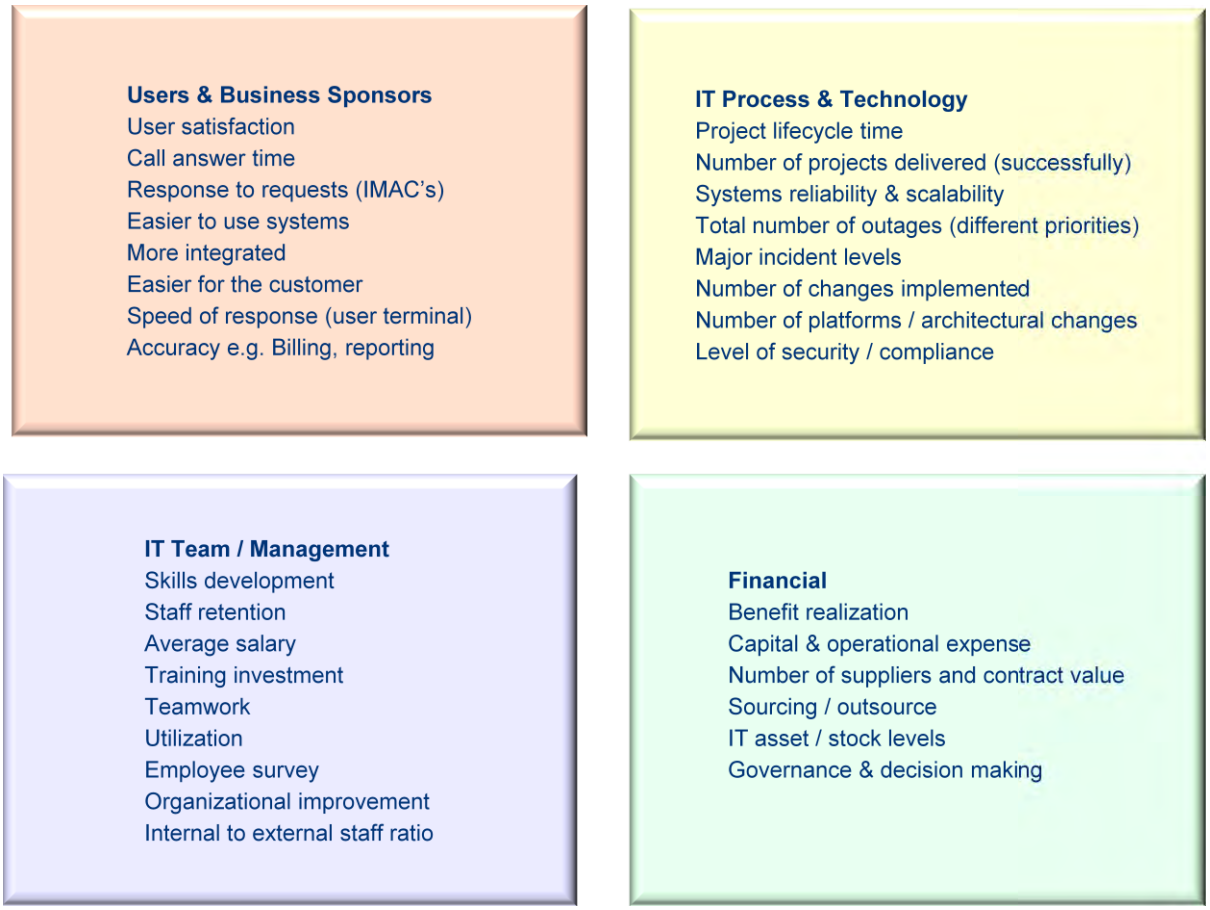
Objectives are typically one of four types:

1. Business objectives where IT activity should have a direct impact on achieving them
2. IT objectives that are specific to the IT organization e.g. improving first time fix on the service desk
3. Compliance objectives – e.g. to meet a particular standard such as Sarbanes Oxley
4. Risk reduction objectives – e.g. to reduce reliance on particular supplier

An example of a business objective might be to increase the company's on-line sales presence. Clearly IT will be helping in this. An example of an IT objective might be to reduce IT support costs by 10%. An example of a compliance objective might be meeting security standards or data protection compliance (to an agreed level). Finally, risk reduction might relate to reducing dependence on particular suppliers or an obsolete platform.

It can also be helpful here to make guiding statements as to how the objective might be achieved. These guidelines are called themes and might include a desire to standardize on a particular platform or application. It might suggest a strategic direction for a sourcing plan. These themes do not need to have objective measures against them, but act as a guide in decision making.

The following is a table of some examples of a number of the measures used by other IT managers in their strategy.



All objectives should conform to the SMART criteria i.e.

- Specific
- Measurable
- Achievable
- Realistic
- and Timely

Once you have chosen your most important measures, the next stage is to set targets for them. Set your target as an absolute number, as a percentage improvement or as a comparison with a competitor or group of competitors.

High level objectives can relate to revenue growth, user satisfaction, better value for money, better staff retention or improved operational efficiency – but they must be realistic. If they are too aggressive, they will not be supported, or will require you to take unreasonable risks. Make them too easy and IT risks becoming complacent, eventually losing the support of its stakeholders. You will instinctively know whether or not your strategy demands bold change, requiring aggressive growth and improved performance. This boldness needs to be expressed in terms of high-level objectives.

It makes sense that you know how you are performing against the metric (its current value), otherwise you will not know how much needs to be done. Objectives can relate to supporting a business objective, an IT objective, risk mitigation or compliance. Define the outcome, not the means. For example, re-engineer the sales process isn't an objective, it's the means to achieve a result. And finally, look to set both a baseline and a stretch target for each one

At this point, it is important to take stock of your objectives. Back to the earlier point, if you significantly miss the mark in setting your objectives, either by being unrealistic, unambitious or missing out key considerations, you strategy will be flawed. So, how can we identify everything that needs to be covered in the plan? One of the best ways is to do a situation analysis using the strategic canvass and PESTEL, bringing your findings together in the SWOT analysis as described in the previous chapter.

In the SWOT analysis, the strengths and weaknesses are about the situation today. Look carefully for existing problems. Opportunities and threats are about the future taking advantage of new opportunities and countering possible threats. For example, we may have a current problem (i.e. weakness) with staff retention, in which case we would look to set an objective to reduce staff turnover by say 10%. To complete the picture, you may also wish to compare your performance with others, through a benchmarking exercise for example. When doing this exercise, make a long list to start with and then look to combine problems together.

Top-level objectives define what success looks like. Be wary of publishing them to the whole organization too early – you will obviously have to share them with the strategy development team, i.e. your management team and key stakeholders. It is normally better to wait until you have worked through the rest of your strategy or you run the risk of setting goals that are either too difficult or too easy.

Finally, all IT employees' objectives should have a line of sight to the IT strategy objectives which in turn should relate to the high level corporate objectives. These should also be monitored and reviewed on a regular basis.

5.2 Creating areas of focus - dividing up the puzzle

IT strategy is a massive potential activity and without proper structured thinking can end up being so large and complex that the end never comes into view. To overcome the potential problem of complexity, it is important to segment your strategy into a number of broad areas where you want to deliver results. Each of these areas may have a number of issues, usually similar or related problems, which need resolving. Grouping similar problems together will make your strategy much clearer. There is a great saying that to solve an impossible problem, divide it into two really difficult ones. And so it is with strategy, except we are going to show that you may want to divide it into anything between 4 and 10 segments.

This cannot be stressed enough. If your strategy is clear and understandable, your sponsors will find it much easier to support it. Even if they don't agree with what you propose, making it clear will allow them to highlight the problems so that you can make the necessary changes. We call these key result areas 'domains.' They provide the supporting framework for your strategy. Each 'domain' will act as a collecting area for related problems. Sometimes these problems can in turn be translated into objectives, where we describe the desired outcome of resolving the problem. So in essence, each domain will have its own independent measures.

Domains should be defined according to where you are expecting to invest time and deliver specific and significant results. Firstly domains need to be mutually exclusive. In other words, strategic activities are segmented so that different problems are addressed with no overlap or duplication. Secondly, they need to be collectively exhaustive, in other words all of your problems and the objectives you are seeking to achieve are contained within one of the domains.

This principle of mutually exclusive and collectively exhaustive is known by its acronym M-E-C-E, pronounced MeeSee. It is at the heart of the consulting thinking of McKinsey's, one of the world's leading strategy consulting firms. It is also described in more detail in the book 'The McKinsey Way'[9].

Very often domains follow process or departmental lines. So it may be that you want to make particular improvements in the area of customer care or manufacturing for example. Sometimes a domain can be a process group where you have a number of smaller processes which link together. Often we see managers creating a domain called enterprise systems, which brings together all the company-wide generic systems such as e-mail, reporting and document management.

The other question is how many domains should you have. Our experience is that between 5 and 10 is usual – if you have too few, each one becomes quite complex. Too many increases the analysis overhead and you get more cross-over between different groups.

This is an ideal situation, but as we said, strategy is not a perfect science and you will often find that one problem creeps into different domains and there is a degree of inter-dependence. A good example is security, where security issues arise in different parts of the IT organization. If this is a particular significant problem, you may wish to create your own security domain and resolve all the issues in one place as it were. If it is not a major issue, you may be able to solve the problems within individual domains.

9 'The McKinsey Way,' Ethan Rasiel, published by McGraw Hill

To summarize phase one of the IT strategy process, by now, you should have:

1. Put together a full list of all the objectives you wish to achieve by domain
2. Consolidated them into typically 5 to 10 high level objectives
3. Ensured that each objective has an initial baseline target set against it and ideally a stretch target. Where possible, you should also know the current value
4. Grouped them together into related areas or domains
5. Cross-checked your work, ensuring that all key areas of your strategy are included

6 IT strategy phase 3 - Projects and activities to meet the objectives

To summarize the situation to date, we have reviewed the business context, assessed current performance, divided our strategy into domains and created a set of objectives. The next step is to put together the list of projects to meet those objectives. Some of these projects will already be under way and some new ones will need to be added.

Start by listing all your on-going projects and group them into similar categories, perhaps relating to the achievement of an individual goal. For example, if you are looking to increase sales in a new market requiring new products, updated information systems, and additional sales staff, it can be helpful to group all these activities together. This reinforces the idea that meeting the end objective (increased sales in this case) is a team effort. Make sure the activities within each group are sequenced correctly – for example, only scheduling the new sales training when the product is ready for launch and the IT systems are fully working.

During the development of a strategic plan, a number of high-level corporate initiatives will also be identified. These should be combined with ongoing projects to identify the full-scale of change activity. Projects should be prioritised so that only the most relevant are selected. By now you know all the high level initiatives and smaller projects that will go towards achieving each strategic objective. Now is the time to assign a senior sponsor, usually a director, who is responsible for ensuring the necessary initiatives are completed and more importantly that the benefits are realized.

By now, you will have a long list of large and small projects as well as individual tasks. Review which are the highest priorities, based on the strategic priorities of your plan and their operational urgency. Starting with the highest priorities, keep only those that you have the resources to complete and defer or cancel the others. This review should be made and agreed by the whole team. For some of the lower priority projects under way, it may be quicker to finish than to stop them.

It is amazing what an organization can achieve when it can visualise what needs to be done. It makes sense therefore to find a way of representing the plan on one page. The best way to start this is to summarise the key milestones from each of the main groups discussed in the previous paragraph. For each key group of projects, identify a number of key tasks or milestones.

At the end of this process, it makes sense to take stock of where you are. The process we are following for the creation of strategy requires each of the phases to align to each other. So the IT objectives are consistent with the business objectives, and similarly the IT activities need to be consistent with meeting the IT objectives. At a high level, you need to be confident that if you complete all the activities and projects listed, you will meet your objectives. At this time, you may draw a number of conclusions:

1. Yes, indeed, the projects and activities are right and sufficient to meet the objectives
2. The projects and activities are not sufficient - in this case, you need to identify new and additional projects, or alternatively, recognize that the objectives are not realistic, and revise them downwards

3. The projects and activities are more than sufficient - in this case, you can either reduce the number of projects and activities, or you may wish to revise your objectives / targets upwards

Next, calculate the resources to each of the projects and initiatives and add them up for each domain, and then aggregate them for the whole project. Consider how much the external cost of these activities will be, in terms of hardware, software, external consultants and support fees. Compare these with previous financial budgets and discuss them with the financial department to understand if they are realistic and acceptable. Often, the balance of resourcing and budget needs to be reviewed.

The other important consideration is the sequencing of the main initiatives. It is all too easy to take on too much, with a particular temptation to start everything off at the beginning. It is more efficient to prioritize the important work, and start this first. Identify a few key milestones for each initiative (typically 4 or 5 per project), and draw up a high level project plan. It makes sense to use the network diagram format (what used to be called a PERT chart) rather than the Gantt format. The aim of this stage is to see which are the key dependencies of the overall project plan. A milestone, for example, that has 4 or 5 key dependencies should be considered high risk, as it will be delayed by a delay in any of these tasks. Projects can be delayed by all sorts of reasons. Consideration should therefore be given to ensure that every project delivers benefits early and consistently, particularly those scheduled to take several months.

This work will yield one of a couple of potential issues. First of all, it is possible that the benefits gained from meeting the stated objectives are out of line with the available resources and budgeted investment. Secondly, the initial project plan appears too complex with a high level of associated risk. In this case, several options become available:

1. Change the value of the objectives, or the objectives themselves
2. Change the way the objectives are achieved
3. Mitigate the risks – either reduce the probability or impact of things going wrong
4. Reallocate the resources
5. Review the priority and sequencing of the projects

Think about your options before you do too much detailed planning. Often, organizations get into the habit of solving lots of small problems with tactical solutions. Strategic planning offers a rare opportunity to put something more innovative, imaginative or robust solutions in place. Now is probably a good time to meet with your key stakeholders again. A short time spent here should pay dividends for ensuring your plan is realistic. There are several options open and we discuss some ideas for reviewing them in the next section.

7 IT strategy phase 4 - Optimising innovation and technology

7.1 Using scenario planning to optimize your strategy

Referring back to one of the things we said right at the beginning. Creating a strategy that is 'good enough' is easy. Creating one that is very good is not. There are a few key pressure points in the process that will move you from 'good enough' to 'very good.' One of those key points is now. You should now be asking yourself, 'Is there a better way to do what I have set out to achieve?'

We work with a number of techniques to undertake this evaluation. The one we describe here is one of the simplest and most effective. It is called scenario planning. You may use it in a slightly different way for your disaster or contingency planning. Scenario planning is a common management technique pioneered and used successfully in the 1970's by Shell. When applying it to your strategic process, you need to identify several plausible scenarios. Each scenario should provide an example of a possible, but perhaps slightly extreme, set of business conditions. The aim is to provoke a healthy discussion among the management team as to how the organisation would respond to each and to verify if your strategy would cope with such scenarios. Scenarios should be both positive and negative.

First of all, review your strategic IT objectives one at a time. For each one think about the factors that enable this to be achieved. Then think about how the same result might be achieved in different ways. Go on to evaluate how it might be done to achieve a different outcome. For example, how might you achieve the same result quicker, or indeed slower? If your budget had been reduced by 10 percent, how might you go about achieving that? Sometimes changing the sequencing of the projects can help considerably in terms or resourcing, or cost or risk. Finally, think about whether this really is the right objective and how else you might deliver an increase in performance in the same area, but by focusing on a different definition of the objective. From this assessment, review the different options before firming up the one that best meets the needs of the business.

7.2 The process of innovation

In its simplest form, IT is there to provide technology solutions to business problems. The application of new technology to solve these problems is of course technology innovation. The process of developing strategy provides an ideal opportunity (but not the only one of course) to think about how technology can help the business.

In my opinion, the process of innovation needs to be actively managed by the IT team. Some innovation starts with the business opportunity and seeks ways that technology can address it creatively. Other innovation starts with the technology and seeks business opportunity. Both are equally valid, but a word of caution with the second one. Sometimes when all you have is a hammer, everything looks like a nail! In other words, just because a technology can offer great potential benefits to the world in general, it may not necessarily offer them to your own organization.

Our process for fostering innovation can be used effectively in the development of strategy or in the promotion of innovation in general. IT follows three simple steps:

Figure 7 - The stages in creative thinking and innovation

Stage 1 – Defining the problem

Innovation is the purposeful search for ideas and solutions to existing problems and potential future opportunities within a particular defined sphere. Problems need to be defined and bounded for them to be of practical relevance. However, jumping to define one specific problems can, on the other hand, be too stifling. Start by giving the team a high level description of the problem to be solved. This stage is where the innovation team start to get down to work, identifying the problems that exist today. Encourage the team to think high level and big picture.

Use brainstorming techniques to get the group to list all of the problems that exist today. One useful, and common technique is to use PostIt notes. Ask all team members to list one problem, whether large or small on an individual note and stick it to the wall. After a period of time, usually 10 to 15 minutes, think about grouping related problems together. Normally, there are high level problems which cause a number of lower level problems. As a group, think about which are the bigger problems and which are the lesser problems. Decide on which ones you are going to address. Once you have done this, put together a clear problem statement that states which problem(s) is to be solved and any boundaries that may need to be put around it (them).

Next, define how radical you want to be in your thinking using one of the three scales of innovation:

1. Paradigm preserving – change or modify existing products, processes or systems
2. Paradigm stretching – replacing existing
3. Paradigm breaking – fulfilling unmet needs

Stage 2 – Generate Ideas

Many techniques exist for generating ideas. You probably have your own favourites. The following is a list of several that I have used successfully and that I would recommend. Build up your own list and get familiar with which situations they work best in.

Paradigm preserving

1. Brain writing – ask the team members to write ideas on paper and put them into a pile in the middle of the table. Participants are encouraged to take ideas out from the centre and build on them with new ideas
2. Hexagons of interest (post-its) – Hexagon shaped Post-its® allow different ideas to be put together in a growing pattern. New ideas, relating to a theme can be generated, using the shared creativity of the team
3. Morphology (break and re-combine) – look at aspects of the current way of working that are done together. Consciously break up these links and combine them with others to identify synergies between areas
4. Mind mapping – a technique used for linking ideas in a logical way. Sometimes bringing clear logic and structure helps to simplify something that is currently fragmented (e.g. a process)

Paradigm stretching

1. Force field (includes Reverse Logic) – This technique is similar to another one that I use, called Reverse Logic. In Reverse Logic, the idea is to think of the worst way you can do something. Sometimes inspiration can be worryingly close to reality. When all the ideas have been collected, turn each one from a negative to its positive equivalent. The Force Field approach asks team members to think of all aspects of a particular activity and plot them along an axis, where the left hand side is for awful ways on doing things and the right hand side represents a really good idea or way of doing things.
2. Heuristic ideation (forcing a link between 2 lists) – There are several variations of this theme, but all of them try to find a link between two unrelated ideas. This usually generates a completely new idea, forcing more radical thinking. Patience is required as the technique can generate many ridiculous ideas before a good one emerges.
3. Role play – This technique works well if there are members in the group from different parts of the organization. A team member role plays an end user, a customer, supplier etc and talks about what they really want, from their own perspective. They will make statements such as 'Why do I have to...' or 'Why don't you....?'

Paradigm breaking

1. Creative whack pack[10] – this can provide a useful and unstructured method for generating different ideas, using the cards of van Oeke
2. Wishful thinking – This is similar to the role play, but the role play is encouraged to be more radical, even unrealistic in their ideas. It is not the intention that the idea is put into practice, but fuels the discussion to how close one might get

10 'Creative whack pack,' Roger von Oech

Stage 3 – Choosing ideas

For any innovation session to be worthwhile, it is important that ideas are assessed and that any valuable ones are taken forward and acted on. For many teams this is often the most difficult part. It is difficult to compare ideas from completely different areas. Sometimes emotions run high and it is helpful to have some techniques. Two in particular spring to mind. The first is the voting dots method. Each participant is given a fixed number of votes which they can attribute to any of the ideas on the list. The ideas with the most dots or votes are chosen.

The second method derives from Edward de Bono's Six Thinking Hats method [11]. Edward de Bono recognized that innovation can be stifled when people are not thinking in the same way. His Six Thinking Hats used the metaphor of a hat to ensure that everyone thinks in the same way at the same time. For example, once the ideas have been listed, everyone puts on their 'yellow hat' (representing the sun) to think about the advantages of an idea. They would then put on their 'black hat' (representing negativity) to think about the disadvantages. Finally, with all the strengths and weaknesses listed, everyone would wear their 'red hat' (expressing emotion) to express what they felt, without necessarily having to explain why. This prevents the team from debating the merits of every idea at random and helps to reduce the disagreements which might give rise to conflict and inaccuracy in selection.

7.3 Creating your own technology roadmap

All top IT executives keep up to date with the trends in technology either through reading journals, attending conferences and seminars or by talking to colleagues. When we poll delegates on our courses, however, we find that there is a gap between understanding the technology market place and translating that into an understanding as to how that might be useful for their own business environment or context.

11 'Six thinking hats,' Edward de Bono published by Penguin

You may wish to carry out this exercise that we run on our courses to test how well you know the technology market place in general and how it might help your business to be innovative in the future. Use the blank diagram opposite to collate your ideas as to which technologies will influence your organization. Start with those technologies that have recently been implemented. Then list those that are currently 'in flight' for your organization. Thirdly, think about those technologies that might be useful in the short or near term (say the next 12 months). Finally, think about those technologies that might be appropriate in the longer term.

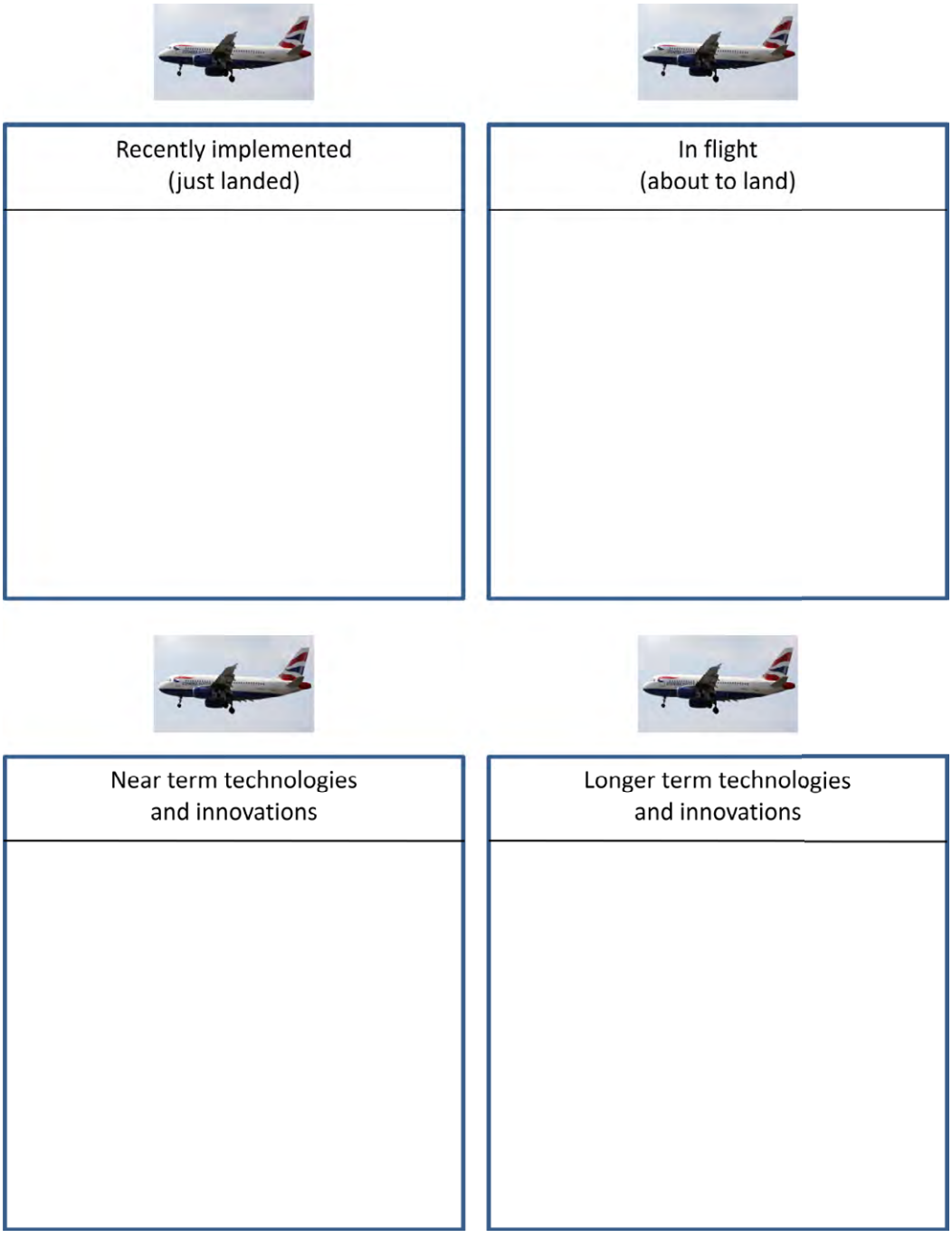


Figure 8 - Roadmap for technology & innovation

The picture you should have in mind is the formation of aeroplanes coming into land. You should be able to see how technology could change your business over the short and longer term.

7.4 Assessing risk in your IT strategy

Now is also a good time to carry out a detailed risk assessment to understand the suitability of the strategy. A corporate risk register should be maintained to monitor and manage key assumptions

As each of the outputs are brought together, you will often find that some of the key successes of the strategic plan are dependent in their turn on a number of key activities. In addition, a number of significant activities and new projects may emerge in the plans and it becomes quickly apparent that not all of them can be implemented within the time frame. It is important to identify key risks associated with plans and document them in a central register. This IT strategy risk register should be actively managed. Do not list every possible thing that might go wrong, but just the top 10 or 20 risks that will most adversely affect the plan. A typical risk register is shown in the diagram below.

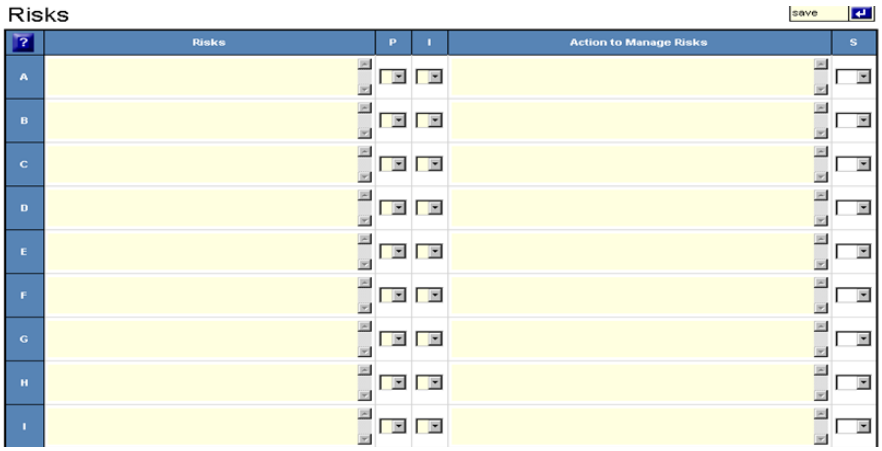


Figure 9 - An example of a risk register

There are many different ways of calculating risk, but the most effective when it comes to strategy is to keep it simple. You need to consider two factors – how likely is this risk to happen in practice, and then how serious would it be. To get a figure of merit for how likely the risk is, consider its probability of happening in the strategic timeframe and express this as marks out of 10. So if it is only 50% probable, score 5 marks and so on. Then measure the severity, where 10 is catastrophic and 0 is no impact. Multiply the probability and the impact together to get an overall score – this should give a score out of 100 (very rarely it can be greater as theoretically, the probability can be greater than 100).

At the end of this stage, you should have optimized your strategic plan to deliver its defined objectives.

8 IT strategy phase 5 - Summarizing your strategy

Many managers spend a lot of time on long so-called strategy documents, but since strategy is a high level activity, it should be possible to summarize it relatively concisely. Senior executives find clear, well thought through pictures and models much more valuable than long narratives. In this section we present three techniques that you might find useful as part of this communication. They are specifically:

1. Outline project plans
2. Strategic statements
3. Plot on a page

8.1 Project plan

One of the most effective tools for communicating your strategy is to create a high-level strategic view of key programme tasks and milestones. Bring together each of the groups of projects and see how they match up to each other. Try to spread out the main deliverables for the organization over the whole year, to avoid crisis bottlenecks and the risk of spreading everyone's attention too thinly. Key milestones should be sequenced evenly during the period. A milestone might be approval of the business case, completion of the detailed design, the go-live date of a new software application or the launch of a new product. Think about how to sequence these key tasks and milestones so that those delivering more benefit are done first. This should ensure that even if there is some delay, the organization will still see some benefit.

It can sometimes be helpful to map out the milestones on a large chart before they are formalized. Start by marking out the next 2 years on a large sheet of paper, say A2 or A1. Write each milestone on a 'Post-It' note and place it where you think it should be complete. You can then decide which activities need to be moved up in order of priority and which ones can be delayed. Look to see if too many tasks are completing at the same time as this might suggest that there is a higher risk of delay. For large multi-divisional organizations, this can be a complex task and may need a more formal approach with key members working together to understand the global outline. Once you have this prototype chart, you can draw it up and print it on A3 or similar.

The diagram below is an example of a strategic project plan drawn in a pictorial way. The individual tasks are joined together in the middle using a 'network diagram' format, with a summary timeline at the top. The tasks themselves merely shown to illustrate the shape of the diagram and do not represent an actual plan.

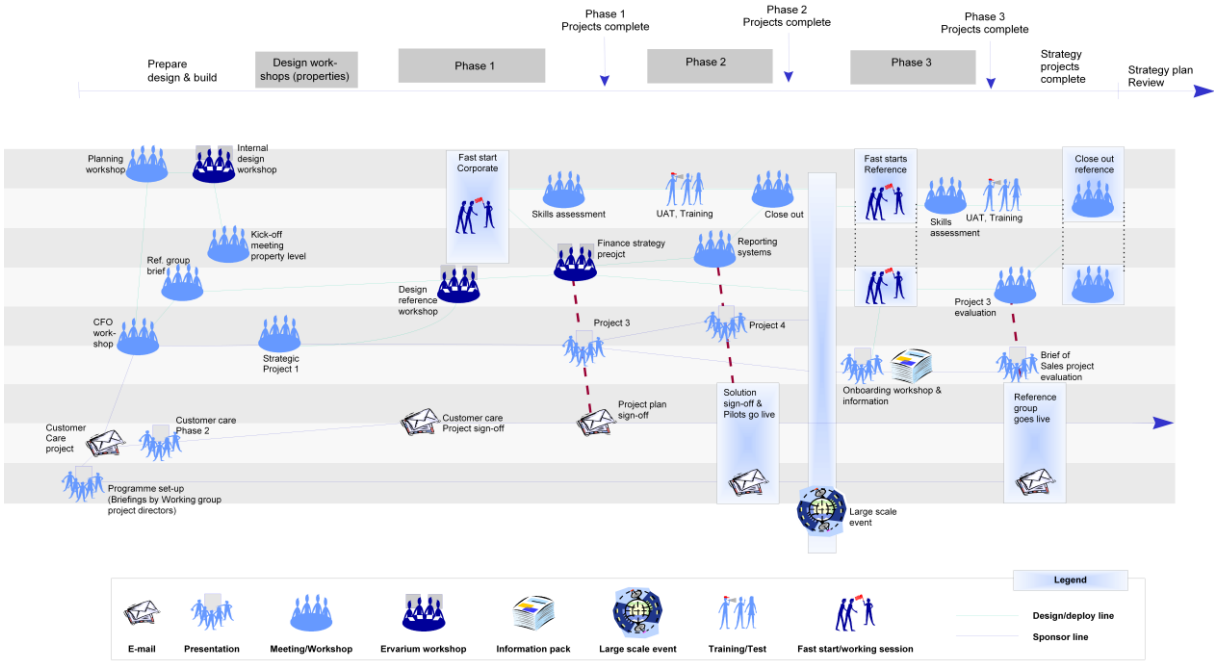


Figure 10 - An example of a summarized (strategic) project plan

8.2 Strategic statements

A strategic statement is a very simple concept. It is a single sentence which describes a specific objective and summarises how it is going to be achieved. Earlier we said that it was important at the beginning of the strategic plan to separate the objective from the means. In other words, keep your options open as to how you might achieve a particular goal. However, we have now worked through the different options and having done the analysis, we should be confident that we have the right solution to meet that objective. A strategic statement allows us to state it in simple terms

A strategic statement can be:

- A single solution to meet a specific objective e.g. We will implement SAP across our Middle Eastern operations to provide common reporting across the whole organization (note, all major projects should be identified within a strategic statement)
- A broad solution to meet several objectives e.g. All new and existing technology platforms will be consolidated into our primary and back-up data centres within 2 years to reduce support costs, operational overheads and increase system resilience
- A theme or principle to provide general guidance e.g. All IT projects will be assigned within the 8 high level programmes

You will find that it is possible to summarize your strategy in about 10 sentences.

8.3 Plot on a page

The concept of a 'plot on a page' is a very helpful one, and one I have used on several occasions. When the excitement of the IT strategy has waned in the organization, what will everyone remember? The answer is, assuming you create one, the 'plot on a page.' There are no hard and fast rules as to what you should include. However, the template shown below is one that I have successfully used on many occasions.

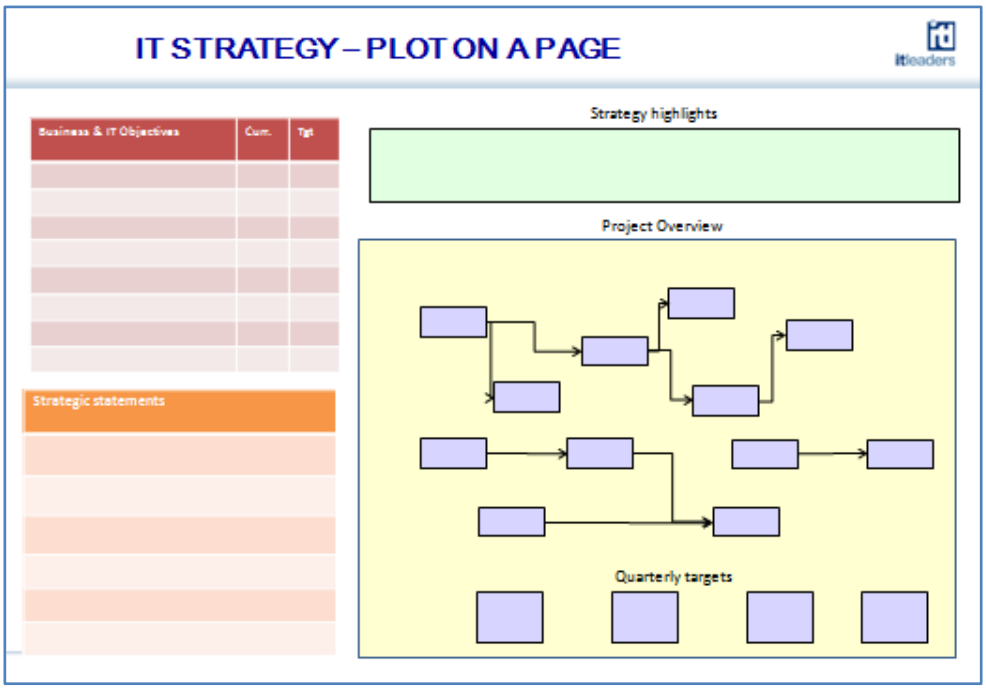


Figure 11 - An example of a 'Plot on a page'

I normally create it on a sheet of A3, and list the business and IT objectives on the left hand side, with the strategic statements below. It also includes a summary of the key activities on the right hand side, with a summary of the plan highlights above. However, this is just an example of one idea. You have free range to create whatever you want. Some companies use it to summarize a before and after architecture. There are no limits, except that it should fit on one page!

9 IT strategy phase 6 - Communication & governance

9.1 The communication plan

The main activities in this stage to develop and implement an overall communications plan are as follows:

1. Create a communications plan addressing the needs of shareholders, managers, employees and external partners
2. Identify the most appropriate communication medium, for example, round table discussions, Town Hall type presentations or one-to-one meetings
3. Prepare the collateral materials for all presentations and communications
4. Once the options have been reviewed and the strategic choice made, the key aspects of the strategy can be confirmed. In summary, this will include:
5. The objectives and targets
6. The work to be undertaken – prioritized activities and projects
7. The allocation of resources
8. The sequencing of the projects
9. The investment and budget

As we said before, some organizations use a slide presentation format; some organizations use a document (report) format. Whichever format you use, all strategic documents should be tailored to the audience. Which documents, to whom and when should be documented as a communication plan, in simple terms a table showing how each stakeholder should be updated on the plan. The diagram below gives a typical example:

Who to	What	How	Frequency	Owners
Board	2 - 5 pager	Board meeting	Quarterly	CIO
IT mgt team	20 pager	Team meeting	Quarterly	CIO
IT team	20 pager	Town hall	2 p.a.	IT mgt team
Key business owners	20 pager	One to one meeting	2 p.a. (high level)	IT Business managers
Rest of business	20 pager	Internet Email	Quarterly update	CIO

Table 4 - An example of a communications plan

Finally, remember that the IT strategy should be a living document. It should be reviewed on a (semi-) regular basis. In order to achieve good alignment with the business, it is important to recognize that the business priorities change, and that the IT strategy should change with it.

No two companies communicate in the same way, but in my experience, the following four examples are the most common ways for companies to communicate to the organization.

1. A presentation of the high level plan to all senior managers. This can act as a run-through or template for them, so that they are fully aligned when presenting to the rest of the organization.
2. A 'town hall' type meeting to present the high level strategy to the wider organization. The priorities here are to keep the presentation short and high level, and also motivational wherever possible.
3. One-to-one meetings may be necessary if some employees are particularly affected by some of the aspects of the strategy.
4. A document that describes the strategy in more detail. It should be sent to the employees individually. You cannot expect that a document posted to the company intranet or internal website will be seen, let alone read, by all employees.

A new strategy will often require significant change from an organization and its people and the management team should pay particular attention to change management. This will ensure that people not only understand what is going on but actively support and embrace the change. The key is to make sure that the presentation shows people what is in it for them, their team and the organisation if they implement the change successfully.

In some cases where employees are working remotely or across international borders, it is more difficult for everyone to get together in the same place. In this situation, special consideration needs to be given to communication, for example, via video-conference, or off-site conferences.

9.2 An example strategy presentation

The debate as to what the final 'IT strategy' should take has been raging since forever. The plain truth is that it does not matter. Some organizations, particularly, for example professional services firms such as law firms, accountants etc. Still prefer a narrative. Many others prefer a PowerPoint slide presentation. Whichever you choose, you may find the following outline useful. It is one I have used to structure a number of strategies and I would like to think, successfully conveyed the plans of the IT organization to the senior management and other staff.

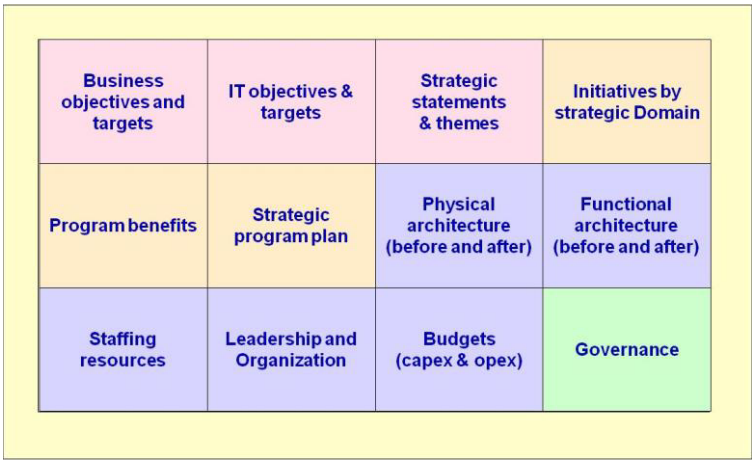


Figure 12 - An example of 12 key slides for the strategy presentation

It basically lists the key subjects from left to right. So the first topics are the business and IT objectives, following by the strategic statements. Next, are the activities and the summarized project / program plan. This is followed by some of the plan detail, in particular:

1. Physical architecture (high level)
2. Functional architecture (high level)
3. Staffing
4. Leadership structures and organization
5. Investment (capex) and operational (opex) budgets

The final section is the one on governance. This structure can be used as an effective sequence to present the IT strategy to the senior executive. The main purpose of the governance slide it to act as a reminder, or a gaining of commitment, from the senior management of their role and duties in the successful implementation and monitoring of progress.

9.3 Presenting to a senior audience

In the first book in this series, IT management (leading people), we identified that different people respond better to some styles of presentation than others. This is no more true than in the boardroom. Although not all board members will have the same profile, it is important that the dominant style is used, or you risk losing their interest and hence their support.

Instinctively, more than 60% of IT people tend to use a logical and structured style. This is called deductive reasoning and goes something like this:

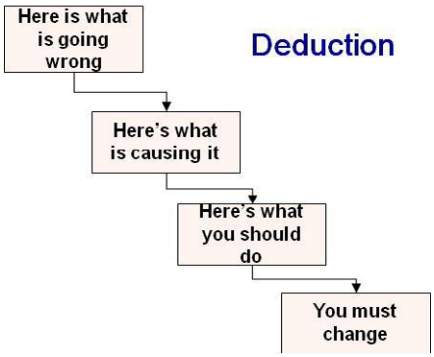


Figure 13 - The logic in a deductive presentation

This is all well and good, but unfortunately the majority of senior managers do not care for this style. They prefer a top down approach. 'Give me the highlights,' as it were. This approach is called inductive reasoning and goes something like this:

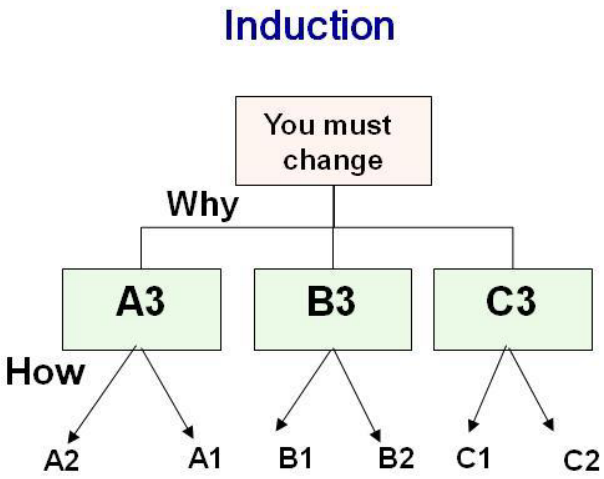


Figure 14 - The logic in an inductive presentation

Your presentation therefore to the senior managers should follow more of this format. Treat it as though you were expecting some of the most important managers to walk out half way through (which as we know, happens often enough). If you have used the inductive style for your presentation, you will be OK, because you will have started with the key points at the beginning. If you have used the deductive style, explaining all the background first, you won't have got to the main point and you will have missed your opportunity.

A second point is not to blind your audience with technology, but at the same time, recognize that some of the board members will be very knowledgeable as far as IT is concerned. Similarly, let them learn what they should know or have forgotten. So for example, don't patronize and ask 'Do any of you know what the CCBS is?' Better to say something like, 'As you know, the CCBS, our customer care and billing system...'

We also have a number of other pointers to help you in the boardroom as follows:

1. Be strategic with a clear message and presentation logic
2. Make visuals clear and concise
3. Brevity is the soul of wit (it is not a speech)
4. Practice, practice and then practice some more
5. Stay alert – don't start brief and then go verbose

9.4 Outline of strategy governance

Senior management should monitor and review IT strategy on a regular (typically quarterly) basis, to ensure the strategic plan continues to be relevant and is delivering the required results. Specific tasks include:

1. Review the strategic objectives and their link to the personal objectives of all IT employees
2. Review the assumptions of the IT strategy and update it where required

3. Review the IT strategy programs at a high level, to ensure priorities remain valid and benefits are realized (note this is not the same as the project review meeting)
4. Review the high level IT strategy risk register

Strategy is an ongoing process rather than something that happens once a year. The strategic plan should incorporate all of the major initiatives and subsequently measure their progress and the benefits they deliver.

The senior executive should meet once a quarter to discuss only strategy and its progress. All aspects should be considered, testing the initial assumptions that the strategy was based on, checking progress in terms of new products, key IT programs and operational performance. If you don't have one, help your company set up a central risk register. And in the interim, your monthly routine should also include a catch-up with each of other key stakeholders.

More information on IT governance in relation to IT strategy and indeed of all IT governance is available in book 4 of this series.

10 First 90 days

So far we have talked about putting together a plan for your organization. There is another aspect of planning that we work with our clients on a regular basis, and that is the personal planning. Specifically, we are asked to support new CIO's and IT directors in their new roles and provide guidance during the initial, critical time. This critical time is known as the first 90 days (actually, also the first 100 days is used in the US, specifically when monitoring the progress of a new president). The guidelines that follow have been built from our work in this area. I hope you find them interesting and valuable. They look at the immediate priorities (the tactics) and the planning activities (needed to ensure long term success.

The 'First 90 days' of starting a new role as the leader of any team are probably the most critical – get them wrong and you risk failure. Get them right and you will enjoy and thrive in your new role.

10.1 Why is this a critical time?

Whenever you start a new role or job, whether within your existing business or joining a new company, you have an opportunity to make a positive impression on others. A positive first impression will give you a flying start to the process of gaining acceptance of a new strategy and the changes in how people work that go with that new strategy. However recognise that you will only get one chance to make a first impression - get the first few months wrong and it could impact your relationships with others for a very long time, creating doubters and resisters to change.

During a period of transition, the team you will be joining will probably have few preconceptions. People typically will have an open mind and be willing to try new ideas, giving you the benefit of the doubt. We often see this phenomenon when consultants are called in to resolve a critical business issue. They often say exactly the same things as some of the internal managers, but as outsiders their views are respected and acted upon.

You recent appointment to the role may well mean you have the less idea of what needs to be done than others who work for you! Your lack of knowledge and expertise makes you vulnerable to getting decisions wrong. In every team there is be a mixture of people and politics. Getting the right people on your side makes driving the strategy through to implementation much easier.

There will be a lot to do in a short period of time, and you may well feel overwhelmed by it all. Many managers suffer from what is called 'imposter syndrome,' a fictitious affliction that makes them feel they are not up to their new job. Don't worry about it. Be smart, and use the expertise of your previous assignments and make the best use of your team. Most effective managers rely heavily on their informal networks, but in the early stages of a new job these don't exist - so work energetically on addressing this.

Because people often give the benefit of the doubt to those who are starting a new job or joining a new team, things often go well for a period of time. If you make mistakes they will forgive you because you're new to the job. This is referred to as the 'honeymoon period'. However, after a period of time (the First 90 days), you will need to perform well, meeting the expectations of key stakeholders.

10.2 Before you start

Negotiate the foundation of your success before you start. Be street-wise when negotiating a new employment contract. Get commitments from your new boss on what exactly is expected, understanding why your predecessor didn't succeed (assuming this was the case). If you have been brought in to fix particular problems, try and get the root of them and make sure you have the commitment and resources for things to be done differently.

Before your start date, do some planning and preparation. If you are staring work for a new company, spend time understanding the business, working through the financial reports of the company (all companies have to file their accounts, even if privately owned), finding out about industry trends and looking at the company website.

On the day itself, your first priority is to confirm your brief and clarification of resources from your boss. Look for clarity on what is required and by when. From this you will be able to identify the work priorities and key activities, and identify some potential problems. Develop a personal to-do list of things to get ready or put in place.

Think also about how you might need to change from the role you did previously – different behaviours that you need to exhibit, for example, new technical or industry knowledge or new skills. Understanding these things early will help you succeed early.

Use the following suggestions to put together a plan for your first ten weeks in your new position, whatever IT management role. The activities have been divided into different phases. These should be treated merely as a guideline. Some activities may be done in a different order. Think carefully about what needs to be done and act decisively. This is your opportunity to impress, so don't rush in without preparation. Always keep in mind the expression 'Do it once and do it right!'

10.3 Weeks 1 and 2

Meet Your Boss

You will inevitably spend time with your new boss in your new role. Prepare well for these meetings. Understand his or her priorities and outline what you propose to do in your first weeks. Your boss will be able to set up meetings for you to meet your key business stakeholders. Get some indication of your objectives. If you are replacing someone in the role, find out what worked and what didn't for your predecessor. Now is the time to ask what the key governance meetings are, and join them where appropriate. It is quite possible that your predecessor is still working in the organization – they may even be your boss – and you should take the opportunity to meet with them. Think carefully about what you learn and make your own considered judgement about what need to change and what can remain.

Get to Know Your Team

Meet with your direct reports at the earliest opportunity. Use this opportunity to introduce yourself f and outline what you hope to achieve in the next few weeks. Ask them if they have any pressing concerns, but don't make this meeting a long one. You will have little knowledge of what needs to be done so you will be guessing. Your primary output from this meeting should be to meet with them all individually over the next few days.

In these early meetings, focus on their current objectives. Don't let them be distracted by your arrival. Ask them what their current priorities are – I often use the question 'What's on your radar?' It is a slightly vague question and it can prompt some interesting replies. Find out how they think things might be improved. Use this meeting to identify who is well connected in the rest of the business and who is best placed to join you when you meet the other senior managers and sponsors. Finally, keep an eye out for which managers are performing and which may need some particular attention and support.

Arrange to meet the key players

Many of the managers that you need to meet will be booked up for the next couple of weeks, so better to get a place in their diary as a matter of priority. Be prepared to work long hours and travel in order to get time with these people. Look for opportunities to spend time with them outside the immediate work environment where it makes sense. This can often produce very interesting and useful information. This is also a week to get hold of the background information – to look at business reports and previous strategy documents if they exist.

Find the Main Operational Issues & Check the Numbers

Find out the main operational issues that affect IT. Start to gather information on the IT group's performance. Think if you need to do an audit using either the internal audit function of the company if one exists or bring in experts. Check all your numbers and check with the users if what you see on your reports is what they experience. Identify the burning issues and put a short plan together. Use the opportunity for independent reviews (audit, benchmarks etc.)

Housekeeping

Your final priority this week, particularly if you are new to the company is to get the housekeeping issues sorted out. You need a desk, ideally near the senior management team you will be working with. Sort out your technology including a (laptop) computer and a good quality phone. Attend any induction programmes that the company has in place this week if possible, or, if not, put yourself down on the list of attendees for the earliest free date. The sooner you learn about the company and its culture, the better. You will then be free to focus on the task in hand in the weeks ahead.

10.4 Weeks 3 and 4

Meet your peers

One of your most important tasks is to meet with the other senior managers in the company to understand their priorities and what they expect from the IT department. Don't meet with other managers if you are not prepared – you will only look foolish and naive. It will probably require a week or two to identify who your key stakeholders are and get ready for these first meetings. Keep them informal and arrange to meet them on a regular (typically once a month) basis.

First impressions are really important, so draft an agenda, but keep in mind the need to be flexible. Your preparation of last week should stand you in good stead. Take one of your trusted managers with you for support - successful teams hunt in pairs. This will help you to focus on listening - it is very difficult to pick up the nuances of what is being said when you are writing things down. Your colleague should also be able to pick up on some of the issues that arise in the course of the meeting.

For each of the managers, try to find out how well IT performs for them and how it could be improved. Often the feedback at this stage is around the 'how' things are done, (e.g. not very efficient or friendly) rather than the 'what.' Don't make too many promises at this stage. Find out if they have any personal issues that will allow you to build your relationship with them

Key outcomes include the following:

1. Their view of the business at the present time and how they see the business-wide challenges in the near and longer term. Ask them what they think IT can deliver that it doesn't currently.
2. An understanding of their own role in the organization and their targets for the year. "What keeps you awake at night?" is a good question to get a different perspective on their priorities.
3. An insight into how the role has been performed in the past and their views on it, specifically how it can be improved and what you can do to help.

Use this meeting to outline therefore how you propose to develop your plans and get their agreement. Remember it's very much an outline, so don't fence yourself in by being too specific. You will also need their commitment to attend the necessary meetings and make their people available.

Your final task is to ask them if there is any further information they think is important and ask if they can suggest others who could assist you. It's always easier to get someone's co-operation when you are introduced to them by a senior manager.

Try to keep the door open (metaphorically) after each meeting. It is too easy when you have several meetings set up with new colleagues to lose the initial momentum. Copy up your notes from the meeting within 24 hours and ask for their agreement to what you have minuted. If they are key people, phone them regularly to keep them informed about your progress.

Think about targets

Sometime early on in week 2, you should be shaping your thinking on what needs to be done. You may want to convert this into some high level objectives. Objectives should be personal, IT specific and business-related. Personal objectives (those done predominantly through your actions) might include improving morale; IT objectives might include improving customer satisfaction, reducing call incident levels; business objectives might business objectives include revenue or growth targets or process improvement. If you are setting your objectives at a personal level, it may be smart to speak to your boss. For IT and business objectives, gather the stakeholders together early on.

Use the discussion about objectives to get to know your own team better. Arrange one-on-one meetings with them to discuss their objectives (which should already be written in their personal development plans). Look to set challenges for those that who are up to it. Make a rational assessment of each of your direct reports, so you have good facts and data to act on if you need to re-organize.

Set up governance

Spend the first couple of weeks understanding the governance in place. Work out what works and what doesn't and firm up a regular meeting schedule. Set up regular (IT) reviews so you understand what the main project and operational issues are, what your team is spending time on and the progress being made.

With regard to projects, verify with the business sponsors which are the most important. Secondly, identify the most important operational issues in the department and get the relevant managers to put a plan together to fix them – don't be tempted to try and fix them yourself!

Start review of risk, compliance and audit

As part of the governance, you have the ideal opportunity to kick of a number of assignments to find out more formally how things are delivering. Use internal audit to get brownie points and external audits to get industry comparison and set the benchmark for the future.

10.5 Weeks 5 and 6

Start work on your plan

You will need to start by gaining an understanding of the business strategy. Review the IT strategy which is hopefully in place. Think about setting up an off-site workshop with your team to put some structure around your strategic planning process. Let all the participants know what they will need to bring to the meeting. Do not make it too onerous for them, but be clear on what preparation is required.

Choose your venue carefully and either visit it beforehand or get someone else to do it for you – check out the facilities, break out rooms, coffee / lunch break timings and directions to get there. If you are running the meeting at your office, check the logistics including equipment such as projectors and flip charts.

Copy up the minutes within 24 hours and contact each of the members to get their feedback and re-commitment to deliver on what they agreed to do.

Keep Contact with Senior Business Sponsors

Keep them updated of your plans. It needn't take too long – over a 15 minute coffee or over lunch, but keep up the communication. It is all too easy to let these key contacts drift off because you are so busy with other things. If possible, arrange to meet them at least once a month – 'faire le point' as the French say, and do! Your strategy work should be developing and you should be able to play back some of your ideas as to how the business objectives might be met.

Review the Organization Structure

You may need to make some changes to how your team is organized. Take the necessary time to do this correctly, or you may make the wrong decision. Some managers may appear unsettled or nervous, so take time with them to understand their concerns. Try to inspire them and give them confidence. However, if after 6 weeks, they are still very dependent on you ('time consuming managers') see if there is a better way to use their talents in a different role. Some managers may appear awkward or hostile. Don't spend much time appeasing them. Find them another job in another department or help them to exit the company. Some IT senior managers ask for the right to bring in their own management team (usually only one or two) in order to spread a new way of working to the IT team.

It is important to recognize, that at more senior levels in an organization, managers can fail in their function due to their style and fit in the organization and it is no reflection on their individual talents. Although initially it may seem unfair, it is often better for them to find new opportunities elsewhere than continue in a role which they are not suited to. The work in weeks 5 and 6 may be around identifying options and verifying the capabilities of your direct reports. Put together your 'dream team' on paper. Identify where you have major skills gaps and need to recruit.

Make some decisions about rogue projects

In most organizations, there are a number of projects which started with good intentions, but for any number of reasons are not delivering the expected benefits. The reasons for this can be various – not enough resource, poor project management, poorly defined requirements, suspect business case, or very often, a change in business conditions meaning that the project priority has fallen off. We find that the more experienced a manager, the more likely he is to cancel these projects. Have a review with the key sponsors (or do it one-on-one) to reduce your current portfolio. This will also free up space that you will probably need as your IT strategy develops.

10.6 Weeks 7 and 8

Develop the first cut of the strategic plan

Your workshop from earlier should have given a good baseline from which to develop the strategy. You should be receiving back the near final proposals from each of your first line reports which you should look to consolidate. Look for conflicts and normalize the resource.

In weeks 7 and 8, you should be able to do the following:

1. Confirm the business and IT objectives you will deliver against
2. Have a full list of current projects and their priorities
3. Identify a list of potential projects required to deliver the objectives
4. Put together a provisional (first cut) budget and resourcing plan

Look at de-risking and doing it better

Get approval for the new organization

Make time to meet with the head of HR to review your thoughts on the current organization. Ask for the view of the HR director. Verify if your provisional organization is the right one. Get agreement to hire in new managers where required.

10.7 Weeks 9 to 12

Finalize the strategic plan

Verify enough activities against all of the individual objectives. Meet with each of the stakeholders to inform them what you are doing for them.

Review Risk, Compliance and audit work

The risk process that was initiated in the meeting of week four should now be formalized. Create a risk register of the top risks (up to a maximum of 20) - if too many risks are identified, the task becomes too cumbersome and usually ends up on the 'too difficult' pile. Many successful teams only manage their top 10 risks.

Look to integrate any key findings into your IT strategy.

Sign off IT strategy

In week 10, look to get sign-off for your plan. This is a highly critical stage. Don't ask for a blank signature without explaining the consequences.

You should look for agreement of the following:

1. Sign off of the high level objectives
2. Agreement of the key initiatives, how they align and the joint project plan
3. Validation of the risk register with key risks
4. Approval for the necessary resources and budget
5. Commitment from senior execs for their involvement and support in the governance process

11 In conclusion

11.1 Take time to reflect

This book can only provide a summary of IT strategy and offers a proven method that we have found works well for IT organizations. Depending on your current role, company or situation, some ideas will be more relevant than others. Go back to your individual and team audits and reflect on how you might apply these ideas to your situation. Look to develop your own thinking in this area, adapted to your own style and your organization.

11.2 Next steps

Based on this review, you will identify many ideas about how to improve your performance, but look before you leap: take time to plan your next steps carefully. Rushing into action is rarely the best way to progress unless you are facing a crisis. Think carefully about your own personal career development, and that of your team. Identify a starting place and consider what would have a significant impact on performance and be easy to implement. Then make a simple to-do list with timings for completion.

11.3 Staying ahead

Finally, the fact that you have taken time to read and think hard about the ideas presented suggests that you are already a professional in your chosen discipline. However, all areas of business leadership are changing rapidly and you need to take steps to stay ahead as a leader in your field.

If you would like some advice on any of the topics, please feel free to email me at david.mckean@itleaders.co.uk

Good luck!

David McKean