INTRODUCTION

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

IS Plan

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

• Information System Planning :-The part of business planning concerned with developing the firm's information system resources

Challenges in Business Planning

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

Principles For IS Planning
• Support the firm's business strategy with appropriate technical architecture.
• Evaluate technology as a component of larger system.
• Recognize life cycle costs.
Key elements of an IS Plan are

    • Corporate mission statement

    • Vision for IT within organization

    • IS strategic and tactical plans

    • Operations plan to achieve mission and vision

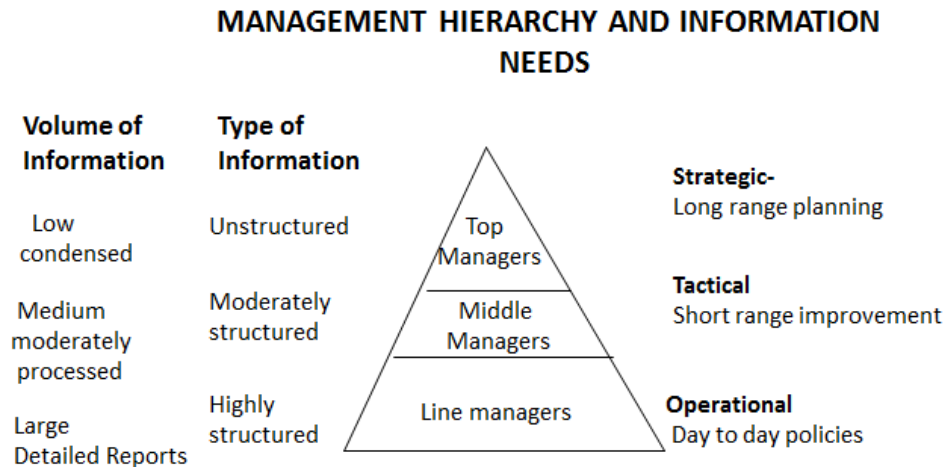- Budget to ensure resources are available
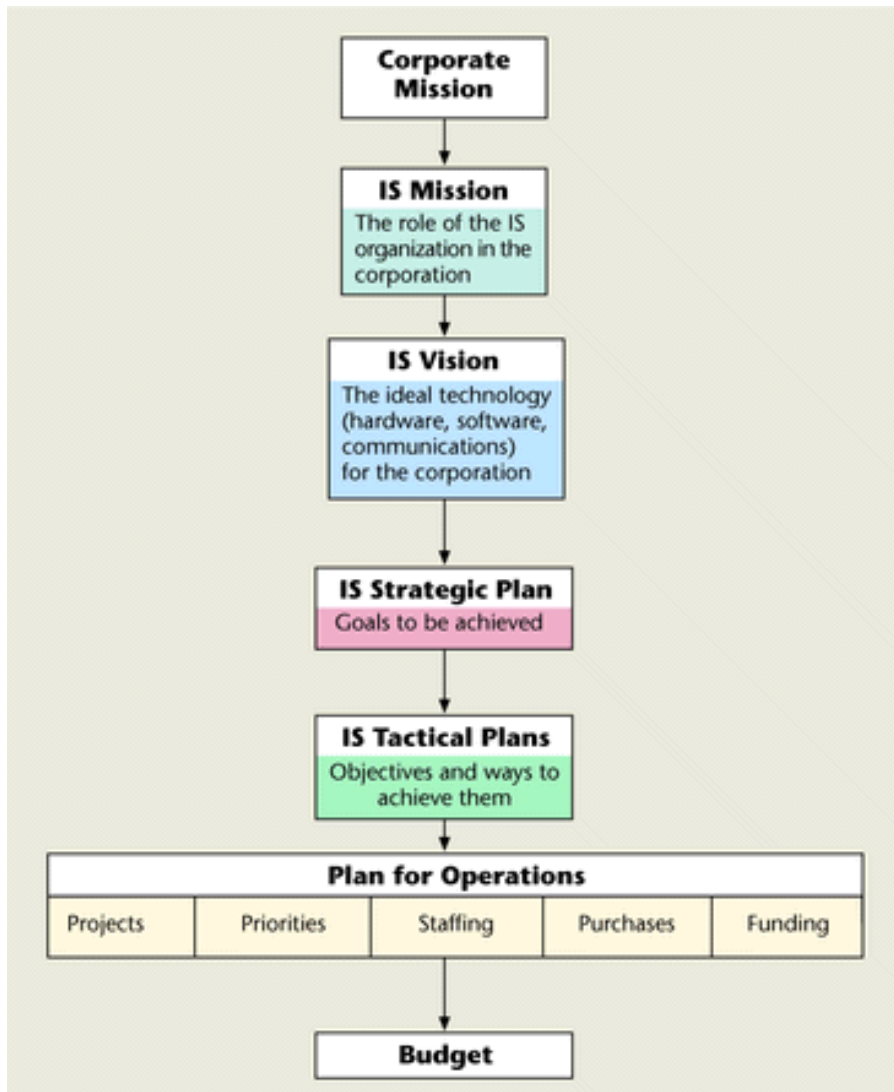
Information Systems Planning
- The Corporate and IS Mission Statements
    - The corporate mission statement details the purpose of the organization and its overall goals.IS mission statement outlines the purpose of IS in the organization.

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IS mission statement outlines the purpose of ISs in the organization

- The IT Vision

– Wish list of what IS managers would like to see in terms of hardware, software, and communications, to contribute to goals of the organization

• Strategic IS Planning

MANAGEMENT HIERARCHY AND INFORMATION NEEDS

Volume of Information	Type of Information		
Low condensed	Unstructured	Top Managers	**Strategic-** Long range planning
Medium moderately processed	Moderately structured	Middle Managers	**Tactical** Short range improvement
Large Detailed Reports	Highly structured	Line managers	**Operational** Day to day policies

5.1 STRATEGIC INFORMATION SYSTEM (SIS)

– IS Strategic plan **details what is to be achieved**

– Strategic plans are designed with the entire organization in mind and begin with an **organization's mission**.

– Essentially, strategic plans look ahead to where the organization wants to **be in three, five, even ten years.** Strategic plans, provided by **top-level managers**, serve as the framework for lower-level planning.

Strategic Management: Carried out by top corporate executives and corporate boards responsible for setting and monitoring long-term directions for the firm for three or more years into the future.

▪ Strategic Information System is a system that helps companies **alters their business strategy**. It is used to accelerate the reaction time to environmental changes and aid the company in achieving a competitive advantage over its competitors.

▪ They help in producing low cost quality products.

- The strategic role of IS involves using IT to develop products, services, and capabilities that give company major advantages over the competitive forces it faces in the global marketplace.

- Strategies should be kept simple when possible.
- The goal for Information System is to help business strategies succeed.
- Information Systems are never a strategy alone.

  Typical Strategic-Level Job Titles
  - Top-level Managers
  - CEOs or Presidents
  - General Manager
  - Corporate Boards

- Steering Committee
- Board of Directors
  - Will design and execute strategic plans to paint a picture of the desired future and long-term goals of the organization.
- Made by top level managers.
- Involve setting organization policies, goals, and long-term plans.
- They affect the organization for many years
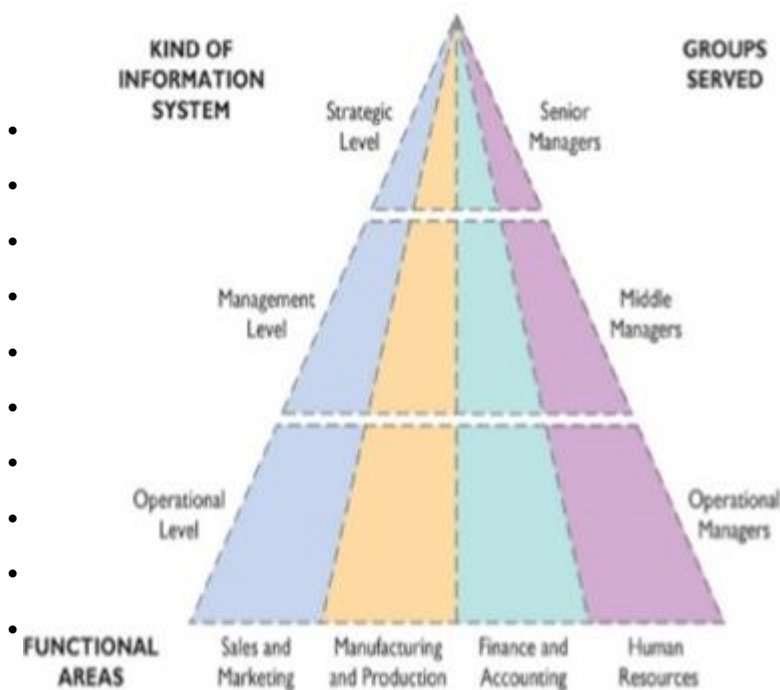
Advantages of IS Planning Process

- Plans enable communication

    - To enable and support intra-organizational communication

    - To create a shared mental image of team members' role

    - Plans enable unity of purpose

    - To specify the objective of IS deployment

    - Clear responsibilities are agreed upon

- Plans simplify decision making over time

    - To create a context for decision making

- An organization's mission and future direction, performance targets, and strategy.

- Effective IS planning can only occur when there is a clear understanding of the firm:

    - What makes it successful

    - The business strategy

    - Its future goals and objectives

5.2 Tactical Information System

- IS Tactical plan describes **how goals will be met and by when.**

- Tactical IS Plan performed by **middle managers responsible for acquisition and allocation of resources** for projects according to **tactical plans, set out for one or two years.**

- Tactical IS Planning is evaluates current and projected information needs of the organization, prioritizes IS development projects, and develops allocation plans for financial and technology resources.

- It is **short range planning** emphasizing the current operations of various parts of the organization. Short Range is generally **defined as a period of time extending about one year or less in the future**.

- Managers use tactical planning to outline what the various parts of the organization must do for the organization to be successful at some point one year or less into the future. Tactical plans are usually developed in the areas of production, marketing, personnel, and finance and plant facilities.

    Typical Tactical-Level Job Titles

    - Advertising manager

- – Personnel manager
- – Creative director
- – Manager of information systems
- – Communications director
- – Chief Financial Officer

- Tactical plans are sometimes called short-term action plans because they breakdown bigger-picture goals and strategies into narrower, actionable tasks. The key to a well-developed tactical plan is having specifically stated actions assigned to particular employees with specific deadlines.

- Bold objectives and thoughtful strategies produce nothing if no steps are taken to put them into action. The goals and strategies give vision and the actions make the company plans real.

- Made by middle-level managers.

- Involve implementing policies of the organization.

- They affect the organization for several months or a few years.
  Strategy involves the future vision of the business; tactics involve the actual steps needed to achieve that vision.

5.3 Operational Information System

- Operational Plan prepared by a component of an organization that clearly defines actions it will take to support the strategic objectives and plans of upper management.

- Operational IS Planning develops plans such as annual operating budgets and individual IS project plans.

- Operations IS Planning performed by supervisors of smaller work units concerned with planning and control of short-term (typically, a week or six months) budgets and schedules.

- First, it assumes that upper management has prepared both a Strategic Plan and a Tactical Plan. This means that lower management should have a clear sense of what they are trying to achieve. They just have to come up with a detailed plan to make it happen! Second, the Operational Plan is limited to only one part of the organization. For example, a large corporation (Strategic Plan) has a manufacturing division (Tactical Plan) that

produces products A, B, and C. Each product is manufactured in a separate plant run by a plant manager who prepares a separate Operational Plan. Operational Plans can be subdivided into two categories. **Single-use plans** address only the current period or a specific problem. An example would be a plan to cut costs during the next year. **Ongoing plans** carry forward to future periods and are changed as necessary. An example would be a long-term plan to retrain workers instead of layoffs.

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

* Where are we now?
* Where do we want to be?
* How do we get there?
* How do we measure our progress?

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

MANAGEMENT STRUCTURE

Chief Executive (Strategical)

(Tactical)

| Production manager | Marketing manager | Materials manager | Finance manager | Human Resource manager |

(Operational)
Line managers
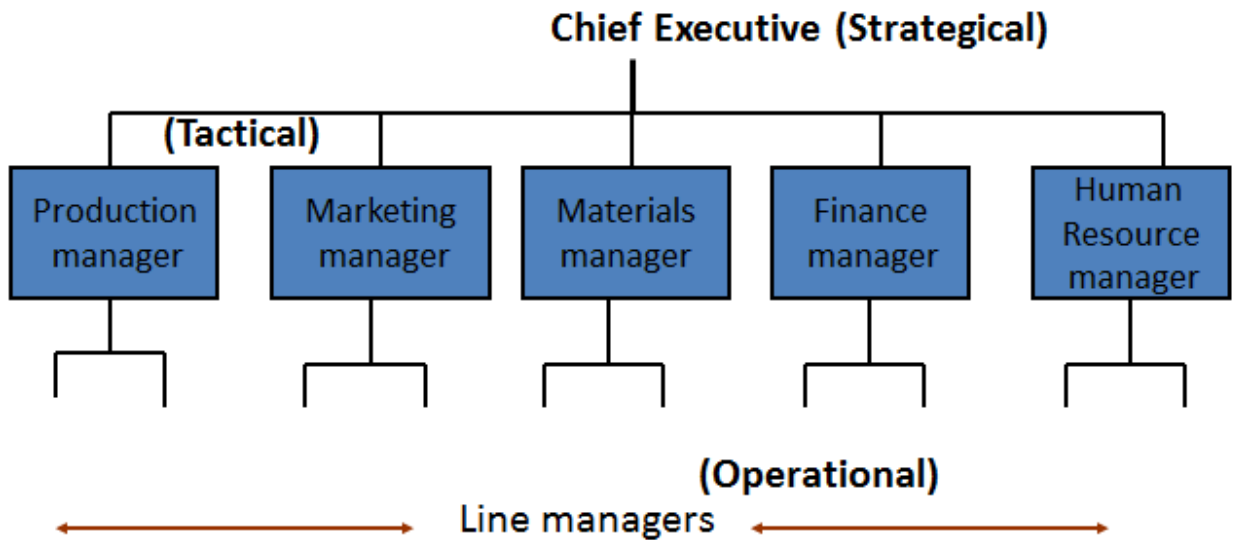
Type of Plan	Created By	Scope	Includes	Level of Detail
Strategic Plan	Top Management	Entire organization	Mission of the company, future goals and ambitions	Very broad and general
Tactical Plan	Mid-level Management	Single area of the business as a whole (e.g. a division of the company)	Specific actions to support or work towards the Strategic Plan	Specific actions and ideas, but not very detailed
Operational Plan	Low-level Management	A unit within a single area of the business (e.g. a department within a division)	Specific plans for low level and day-to-day activities and processes that will support and enable the Tactical Plan	Extremely detailed (who, what, where and when)

TYPES OF SYSTEMS

	Strategic-Level Systems				
Executive Support Systems (ESS)	5-year sales trend forecasting	5-year operating plan	5-year budget forecasting	Profit planning	Manpower planning

	Management-Level Systems				
Management Information Systems (MIS)	Sales management	Inventory control	Annual budgeting	Capital investment analysis	Relocation analysis
Decision-Support Systems (DSS)	Sales region analysis	Production scheduling	Cost analysis	Pricing/profitability analysis	Contract cost analysis

	Knowledge-Level Systems		
Knowledge Work Systems (KWS)	Engineering workstations	Graphics workstations	Managerial workstations
Office Automation Systems (OAS)	Word processing	Document imaging	Electronic calendars

	Operational-Level Systems				
Transaction Processing Systems (TPS)	Machine control	Securities trading	Payroll		Compensation
	Order tracking	Plant scheduling		Accounts payable	Training & development
	Order processing	Material movement control	Cash management	Accounts receivable	Employee record keeping
	Sales and Marketing	Manufacturing	Finance	Accounting	Human Resources