**IT Strategy Template**

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**IT Strategy**

**<Project Name>**

**Company Name**

**Street Address**

**City, State Zip Code**

**Date**

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# Introduction

This section is devoted to provide overall information about the IT Strategy document.

## Executive Summary

Start the IT Strategy document with a summary. The intention is that somebody who just read the summary can get an understanding of the overall content of the document.

This document defines the Information Technology (IT) Strategy that must be followed within the “IT Service Unit” from the date of approval until the end of the year 20xx. The new strategy was created in response to a changing environment in which the business is increasingly depending on efficient IT services to expand its competitiveness on the market.

An assessment of the current situation and possibilities has been held to determine the best course of action. As a result, three primary objectives have been defined:

* Integrate at a corporate level those services that are better managed in scale or where regulations encourage doing so.
* Increase resources and capabilities for services with higher business specialization.
* Enrich the Service Catalog with new business-profitable services.

The vision and mission are as follow:

* Vision: The “IT Service Unit” is the main and direct provider of IT services for the “Investment Company” of the “Organization”, giving the company a competitive advantage in the pursuing of its business goals.
* Mission: The “IT Service Unit” fulfills the IT needs of the “Investment Company” by providing proven, high-quality services on a day-to-day operation with minimal disruption.

The IT Strategy Plan calls for:

* Along with the corporate shared IT service provider, create and execute a program to integrate at a corporate level those services that should be managed at a higher level.
* Acquire and license software tools for the centralized management of the IT infrastructure.
* Build new infrastructure capacity for existing key services.
* Create and execute programs for the implementation of new services into the Service Catalog.
* Create, execute and maintain up-to-date programs to train the staff on the technologies to be applied.

## Authorization

List here all persons that are signing the IT Service Strategy Plan document.

This document is authorized and agreed by the following key executives and stakeholders:

|  |  |
| --- | --- |
| **Name** | **Position** |
| John Doe | CEO |
| Jane Doe | CIO |
| … | … |
|  |  |

## Background

Explain the events that led to the making of this strategy plan.

The “IT Service Unit” has been in charge of the provision of IT services to the “Investment Company” since its creation in 19xx. During all this time, the “IT Service Unit” has been very effective in performing all the required tasks with a high degree of quality and integration with the business needs.

In recent years, several developments are changing the status quo. Companies are faced with a difficult environment. The bad economy and competition from overseas are challenging the ability of the companies to remain competitive. Companies are in need of more effective and more business-oriented IT services to obtain the edge they need to be successful in the new economy.

Several trends have been emerging in recent years to address this situation, like centralizing services to better manage costs, and outsourcing. The new IT strategy takes notice of all these facts in preparing a path to succeed under the new realities.

## Confidentiality

The IT Strategy should be a confidential document, but some parts are meant to be public. Define here which parts must be confidential and which others must be shared and to whom.

This and any other document describing the IT strategy must be considered highly confidential. Only the top executives and the IT steering group should have plenty access to the IT Strategy document set. Any other access, including public sharing, must be explicitly declared inside the corresponding document.

Some parts in this document are intended to be of public access. They should be distributed to employees and be shared with clients, partners and suppliers. Sections intended to be of public access are:

* Section 3.1. Perspective. It must be shared as “Vision and Mission.”

The top executives and the IT steering group must receive an encrypted copy of this document through protected, internal mail with electronic signatures to guarantee the confidentiality, integrity and authenticity.

The information deemed public must be extracted and displayed into the company’s web site.

# Strategic Assessment

The purpose of the assessment is to determine the service provider’s current situation and what changes are likely to impact it in the foreseeable future. The assessment will also highlight constraints that could tamper the ability of the service provider of meeting its goals.

The objective of this step is to define a number of objectives that will be the primary input to define the strategy.

The “IT Service Unit” is an internal provider giving service to the “Investment Company” of the “Organization”. The provider’s main strength is its intimate knowledge of the business. The main disadvantage is that it lacks the scale and scope that enjoys the “Shared IT Service Unit” of the “Organization” and that of some external IT providers.

## Internal Factors

The goal in this sub-section of the IT Strategy Plan is to identify the strengths and weakness of the service provider through an internal analysis.

The following internal factors have been identified:

* **Existing Services.** The “IT Service Unit” provides a set of IT services to the “Investment Company”. Due to the internal nature of the IT service provider, some services are better served than others. The services for which the “IT Service Unit” reaches a higher level of distinctive differentiation are those with a higher business specialization. The main aces are Project Services and First Level Support Services, which are closer to the core of the unit business.

There are other services that, although well served, are not cost-efficient because of the lack of a proper user population size. They are general services that are better managed if integrated at the corporate level. The most evident are the Security Services and the Communications Services.

Some services are already integrated at the corporate level. They are basically the Internet Services and the Accounting Services.

* **Financial Analysis.** As the “IT Service Unit” is an internal provider, it doesn’t generate any direct revenue. It is funded by the “Investment Company” and the positive outcome it generates comes as an increase in the profitability of the business services to the external customers. The services with the best ROI (Return of Investment) are the Project Services. For more details, see the external document *(Financial Modelling for IT Strategy, 20xx).*
* **Human Resources.** The current human resources have received training and are considered skilled for the work they are currently performing, according to the surveys. Nevertheless, the size of the work force is below the required capacity for the services currently been provided, especially for Support Services. As plans call for services improvement and upgrading, an aggressive re-training plan should be implemented as well.
* **Operations.** The effectiveness at which services are operated and the net value customers receive from that services have been increased dramatically in recent years. Nevertheless, there is plenty of room for immediate improvement programs. Several functions and technologies that could be integrated are currently duplicated among services providers in several business units of the “Organization”.
* **Relationship with the Business Unit.** The “IT Service Unit” is embedded within the “Investment Company”, resulting in first-hand knowledge of the business and its goals. The response to the business needs is faster and customer satisfaction is higher than with other providers. The “IT Service Unit” cannot work outside the limits of the “Investment Company”, unless specifically authorized to do so; that restricts its ability to expand and distribute the work load among a sizable population.
* **Resources and Capabilities.** In recent years, the resources and capabilities supporting the services were dramatically upgraded as part of the efforts to improve the quality and quantity of the services provided. That has allowed the “IT Service Unit” to take the lead among all the services providers from all the business companies in the “Organization”. As some of the other service providers have implemented similar programs, some duplication of functions exists.
* **Existing Projects.** Currently, all past major projects have been finalized. New projects will be implemented to fulfill the goals in the new strategy.

## External Factors

The goal in this sub-section of the IT Strategy document is to identify opportunities and threats from the outside.

The following external factors have been identified:

* **Industry and Market Analysis.** The main trend that can be identified is the practice of consolidating functions to reduce cost and the outsourcing of services to external providers. Companies are looking for competitive prices and specialized knowledge without owning the costs. Organizations are also integrating their services for added simplicity, manageability and security.
* **Customers.** The sole customer for the “IT Service Unit” is the “Investment Company”. The business is aggressively pursuing improvements in its overall performance, led by the investment in IT technologies. The IT service provider can react fast to ever-changing demands of the customer and even get involved in the decision-making process.
* **Suppliers.** Main suppliers have underpinning contracts in place to ensure the availability of the products and services needed. There are backup alternatives.
* **Partners.** There is no partnership with any external organization or provider. No partnership is predicted in the future.
* **Competitors.** Two main competitors in the area, “IT Company # 1” and “IT Company # 2” have made offers to take over some or all of the IT services. They are independent companies that currently provide IT services to several clients. As providing IT services is core to their business, they have developed resources and capabilities to centralize services for their clients, optimizing costs. Their main handicap is that they lack the inside view of the business and is difficult for them to provide the IT services with the same level of quality.
* **Legislation and Regulation.** Several standards and best practices have been applied in “The Organization”. It is a requirement that any potential service provider providing IT services to the company must be certified in the standards already in force. The following standards and best practice frameworks have been applied in the “Organization”:
  + ISO/IEC 27000 Information security management.
  + ISO/IEC 20000 IT service management.
* **Political.** Uncertainties arising from politics may create some risks that should be addressed. The company has diversified its markets to be better prepared to any volatile situation that could affect business in some of the most vulnerable areas.
* **Socio-Economic.** After recent economic turbulence, IT has implemented many initiatives to help the business in be better prepared to overcome the bad economy. The cost of doing business has been lowered while at the same time the company has become more flexible. Communications services were revamped to provide the business more dynamism in a changed environment. Nevertheless, more shall be done to accelerate the flow of information for the decision-making process.
* **Technology.** Several state-of-the-art technologies have been implemented recently, especially for Communication Services. There are other technologies that are recommended because of the impact of the overall services. Service Management tools should be upgraded to a more integrated solution.

## Market Spaces

Define here the spaces where the service provider can deliver value to its customer(s). Try matching service lines or archetypes that can be offered with customer assets to be serviced.

The “Investment Company” is the sole customer for the “IT Service Unit”. If authorized to do so, services can be provided on a limited basis to other parts within the “Organization” and even to external companies.

Location is not restricted; services can be provided to all branches of the “Investment Company”. Branches are distributed nationwide, with two locations in foreign countries.

Market space includes all the current and potential IT services needed to address current and future needs of the business unit.

Lines been served or under progress are: Communication, Accounting, Projects, Internet and General Support. Potential lines to be supported are Providers and Financial services.

Some service assets from the Communication and Internet services may be transferred to the corporate “Shared IT Service Unit” in order to abide to new corporate regulations about IT safety.

## Strategic Industry Factors

In this section of the IT Strategy Plan you should determine, for every market space, which elements are considered critical factors to succeed (or fail) in the application of the strategy. Start by understanding influencing factors like customer needs, business trends, competition, regulatory environment, suppliers, standards, industry best practices and technologies.

The most important trend in the industry that can affect the service model currently in use is outsourcing. Third companies with highly developed resources and capabilities may provide some services at a competitive price, freeing the company of the specific costs and risks. In fact, there are currently two companies offering to provide some services. The lines of services with higher probabilities to be run under an outsourced model are Accounting and General Services.

The increase in complexity brought by new regulations (like Sarbanes–Oxley) may sway the company to outsource some services to a more specialized provider. New safety regulations and the need to reduce costs are moving the “Organization” to a more centralized model where some parts of the provision of the services are now managed at a central corporate level.

To better succeed in maintaining and expanding the defined market spaces, is critical to have an even higher alignment with the business, ensuring fast response to a dynamically changing environment. Resources and capabilities need to be prepared by:

* investing in redundant, powerful server and network infrastructure,
* acquiring powerful service management tools, and
* mastering business specialized knowledge.

According to benchmark results, the IT service provider is positioned as follows:

* Industry best for: Project Services, First Level Support Services.
* Industry average for: Communication Services, Accounting Services, Internet Services.
* Entry Level for: Providers Services, Financial Services.

## Objectives

The objectives are the output of the strategic assessment phase, and the input to the next phase that is the generation of the strategy. Define here the objectives you intend to fulfill with the strategy, driven by outcomes customers want to obtain. If there are too many objectives defined, organize them into primary and secondary objectives.

The primary objectives to be obtained by the IT Strategy are the following:

1. By the second quarter of the year 20xx, get integrated at a corporate level those services that are better managed in scale or where regulations encourage doing so. Lines currently included are Security Services and Communications Services.  
   **Final state:** services are managed at the corporate level.
2. By the first quarter of the year 20xx, get increased resources and capabilities for services with higher business specialization. Lines currently included are Project Services and First Line Support Services.  
   **Final state:** improvement programs completed successfully.
3. By the last quarter of year 20xx, get the Service Catalog enriched with potentially business-profitable services. Lines currently approved are Providers Services and Finances Services.  
   **Final state:** services included in Service Catalog.

# IT Strategy

There are four forms on which the strategy is presented: perspective, position, plan and patterns. The strategy usually evolves through all four forms in some sequence.

In this section of the IT Service Strategy Plan you will define the strategy by each of its forms.

## Perspective

The perspective describes the vision and direction of the organization. The goal of perspective is to define for customers and employees what the provider is, what it provides and how it does it.

The most common way of defining perspective is by declaring the vision and the mission. While the vision states what the provider intends to be, the mission states how the provider will turn the vision into a reality.

**Vision**: The “IT Service Unit” is the main and direct provider of IT services for the “Investment Company” of the “Organization”, giving the company a competitive advantage in the pursuing of its business goals.

**Mission**: The “IT Service Unit” fulfills the IT needs of the “Investment Company” by providing proven, high-quality services on a day-to-day operation with minimal disruption.

## Position

Describe here how the service provider intends to compete against other service providers in the market.

The “IT Service Unit” differentiates from potential competitors by means of a need-based positioning. Our privileged knowledge of the business allows us to identify opportunities and work along with the customer to offer a range of services in response to the customer’s needs.

## IT Strategy Plan

Describe the activities that the service provider shall perform to move from the current situation to the desired situation.

The following high-level, strategic plan must be followed to successfully achieve the strategic objectives defined on section 2.5:

1. Along with the corporate shared IT service provider, create and execute a program to integrate Security Services, Communications Services and any other service that is determined to be better managed at a corporate level.  
   **Objectives:** a)  
   **Foreseen completion date:** second quarter of the year 20xx.  
   **Assigned budget:** $12K.
2. Acquire and license software tools for the centralized management of the IT infrastructure.  
   **Objectives:** b), c)  
   **Foreseen completion date:** first quarter of the year 20xx.  
   **Assigned budget:** $50K.
3. Build new infrastructure capacity for key services like Project Services and First Level Support Services.  
   **Objectives:** b)  
   **Foreseen completion date:** first quarter of the year 20xx.  
   **Assigned budget:** $20K.
4. Create and execute programs for the implementation of new services like Provider Services and Finance Services into the Service Catalog.  
   **Objectives:** c)  
   **Foreseen completion date:** last quarter of the year 20xx.  
   **Assigned budget:** $50K.
5. Create, execute and maintain up-to-date a program to train the staff on the technologies to be applied.  
   **Objectives:** b), c)  
   **Foreseen completion date:** second quarter of the year 20xx.  
   **Assigned budget:** $35K.

## Patterns of Action

Describe the ongoing, repeatable actions that shall be taken in order to continue to meet the objectives defined for the strategy.

To ensure an efficient execution of the strategy defined in the previous section, the following patterns of action must be adopted in response to changed conditions:

1. Operations staff must be certified in the technologies they use at operational levels.
2. All the technologies must be acquired from authorized, recognized vendors.
3. All the projects must be guided by the recommendations of the Project Management Institute.
4. Service quality outweighs cost savings.
5. Planned changes must be synchronized with business’s offseason.

# Annex

Insert here anything you may like to attach to support the IT Service Strategy document.

## Glossary

This section of the IT Strategy Plan provides the definitions of terms, acronyms, and abbreviations required to understand this document.

| **Term** | **Definition** |
| --- | --- |
| External Service Provider | An IT service provider that is part of a different organization from its customer. |
| First-line Support | The first level in a hierarchy of support groups involved in the resolution of incidents. |
| Information Technology (IT) | The use of technology for the storage, communication or processing of information. |
| Insourcing | Using an internal service provider to manage IT services. |
| Internal Service Provider | An IT service provider that is part of the same organization as its customer. |
| IT Steering Group (ISG) | A formal group that is responsible for ensuring that business and IT service provider strategies and plans are closely aligned. |
| Market Space | Opportunities that an IT service provider could exploit to meet the business needs of customers. |
| Mission | A short but complete description of the overall purpose and intentions of an organization. |
| Outsourcing | Using an external service provider to manage IT services. |
| Service Catalog | A database or structured document with information about all live IT services, including those available for deployment. |
| Strategy | A strategic plan designed to achieve defined objectives. |
| Underpinning Contract | A contract between an IT service provider and a third party. |
| Vision | A description of what the organization intends to become in the future. |

Table 1. Glossary.

## Bibliography

(20xx). *Financial Modelling for IT Strategy.*

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