



Chap 3 : Goal and Strategy

Ref. [Benson] Chap 8

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Make Definition about strategy with this key word (Johnson and Scholes)

- **Direction**
- **markets; scope**
- **Advantage**
- ***resources***
- ***Environment***
- **stakeholders**

http://tutor2u.net/business/strategy/what_is_strategy.htm

Five key IT decisions need to be governed

Principles for IT	High level statements about how IT is to be used. Driven by business principles (e.g., operating model)
Enterprise Architecture	Organizing logic for data, applications, and infrastructure captured in a set of policies, relationships, and technical choices to achieve desired business and technical standardization and integration
IT Infrastructure Strategies	Strategies for shared IT capability (both technical and human) delivered as reliable services (e.g., network, help desk, shared data)
Business Application Needs	Specifying the business need for purchased or internally developed IT applications
IT Investment and Prioritization	Decisions about how much and where to invest in IT including project approvals and justification techniques

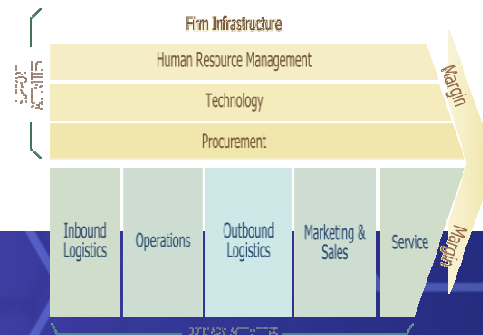
Strategy and IS

Industry Structure (5 Competing Forces)



Competitive Strategy

Value Chain Analysis



Business Process Design / Reengineering

Information Systems

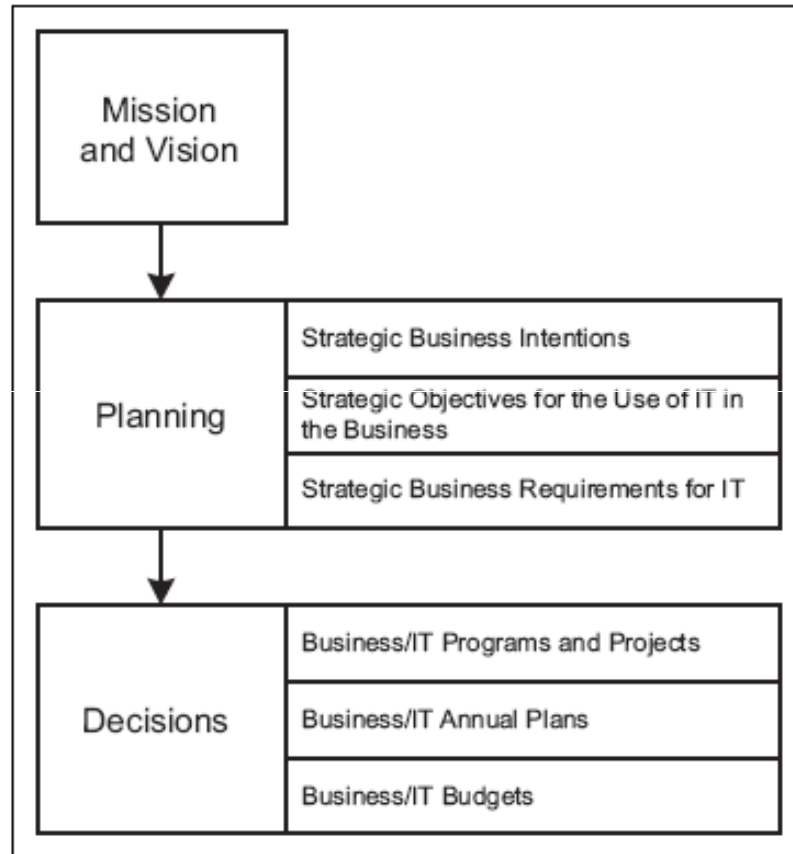
How to make Strategic Planning?

SMART

- **S**pecific
- **M**easurable
- **A**ctionable/**A**chievable
- **R**elevant to Business Goals& Objectives and **R**esults Oriented
- **T**ime-Bound

How to make right Strategic Decision

EXHIBIT 9.3 Mission to Planning (Strategic Intentions) to Right Decisions



Source: Benson, et. All, (2004), From Business Strategy to IT Action, John Wiley & Son

4-Step Process

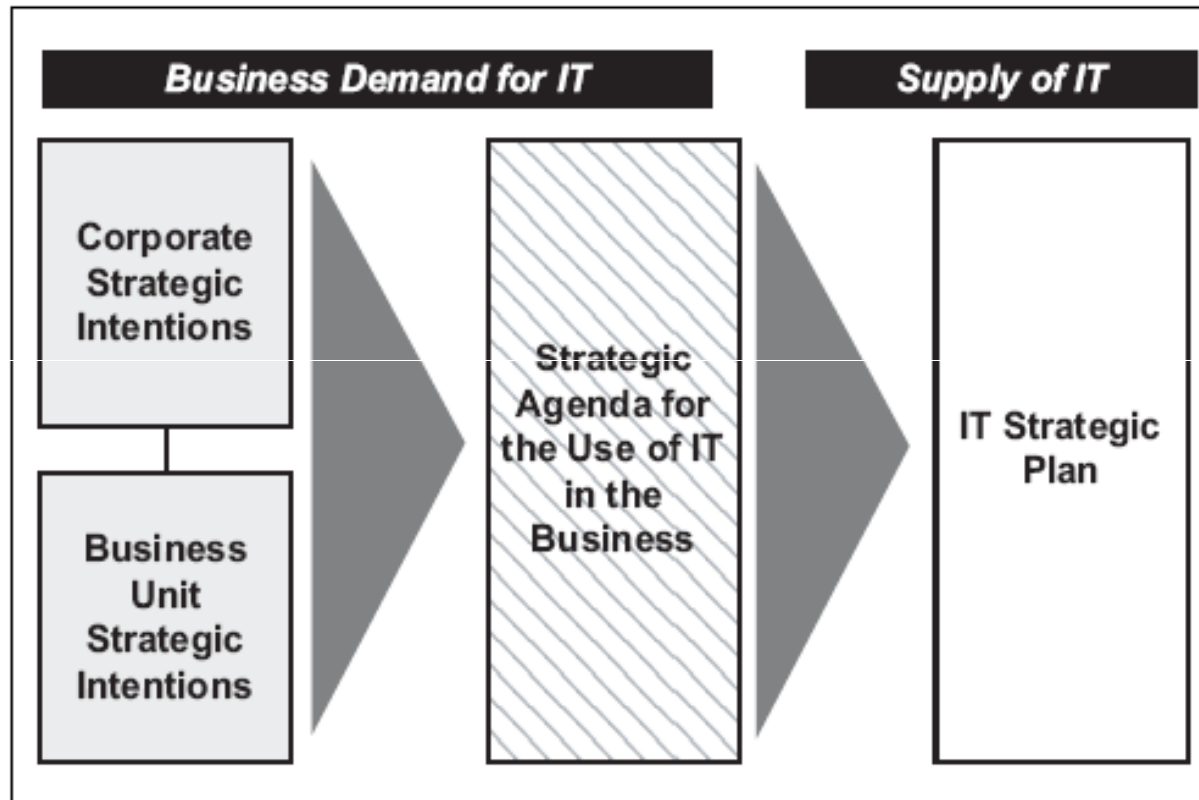
- What are your mission/visions/goals?
- What are your strategies?
 - Product/service strategies
 - Marketing/branding strategies
 - Technology strategies
- What are your methods for implementing your strategies?
- How do you know you are making progress towards your goals?

What the most easy to though (common) IT Strategy?

- Demand / Supply Strategy Plan
- IT Service Strategy
- IT Infrastructure Strategy
- IT Risk Strategy
- Change Management Strategy
- Implementation Strategy / Project Management Strategy

Look easy but more Problem !

EXHIBIT 9.6 Elements of Demand/Supply Strategic Plan



Source: Benson, et. All, (2004), From Business Strategy to IT Action, John Wiley & Son

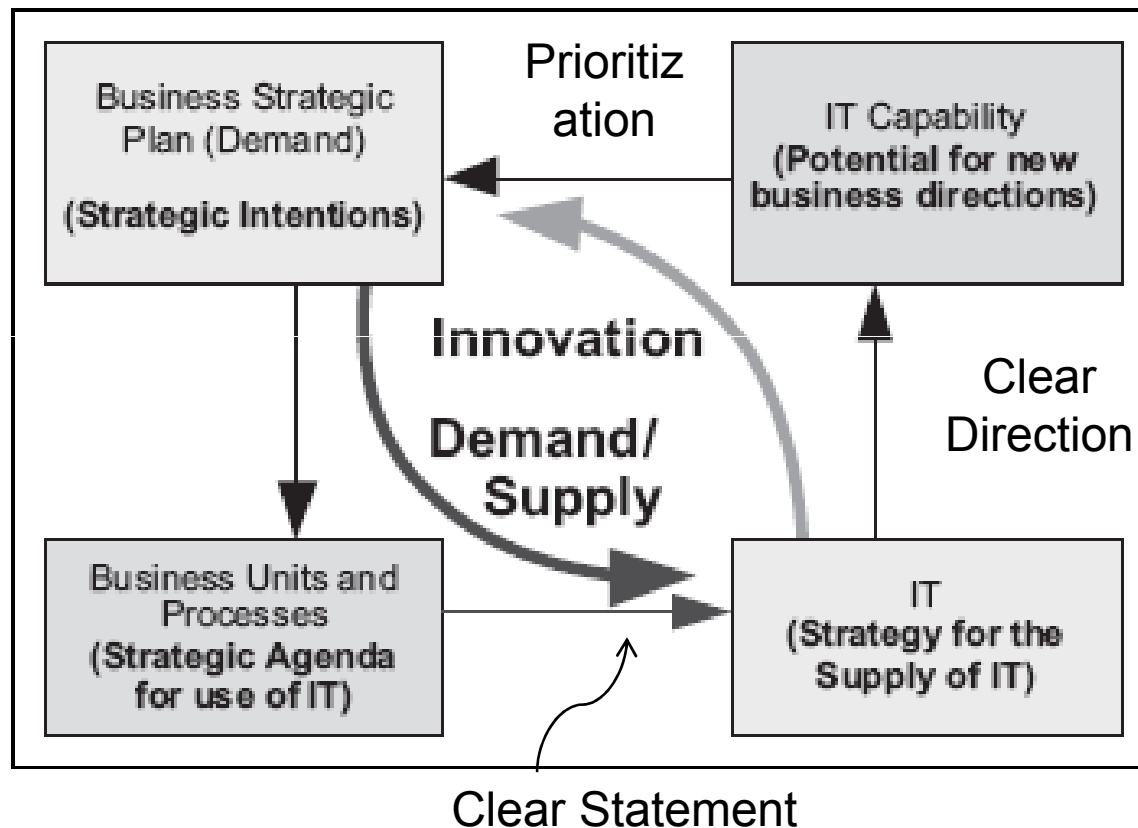
What's the problem between Business and IT Strategy?

The main problem are :

- Prioritization for best strategy and low budget
- Disconnecting
- Business and IT done separately

Do Innovation or do Demand/Supply

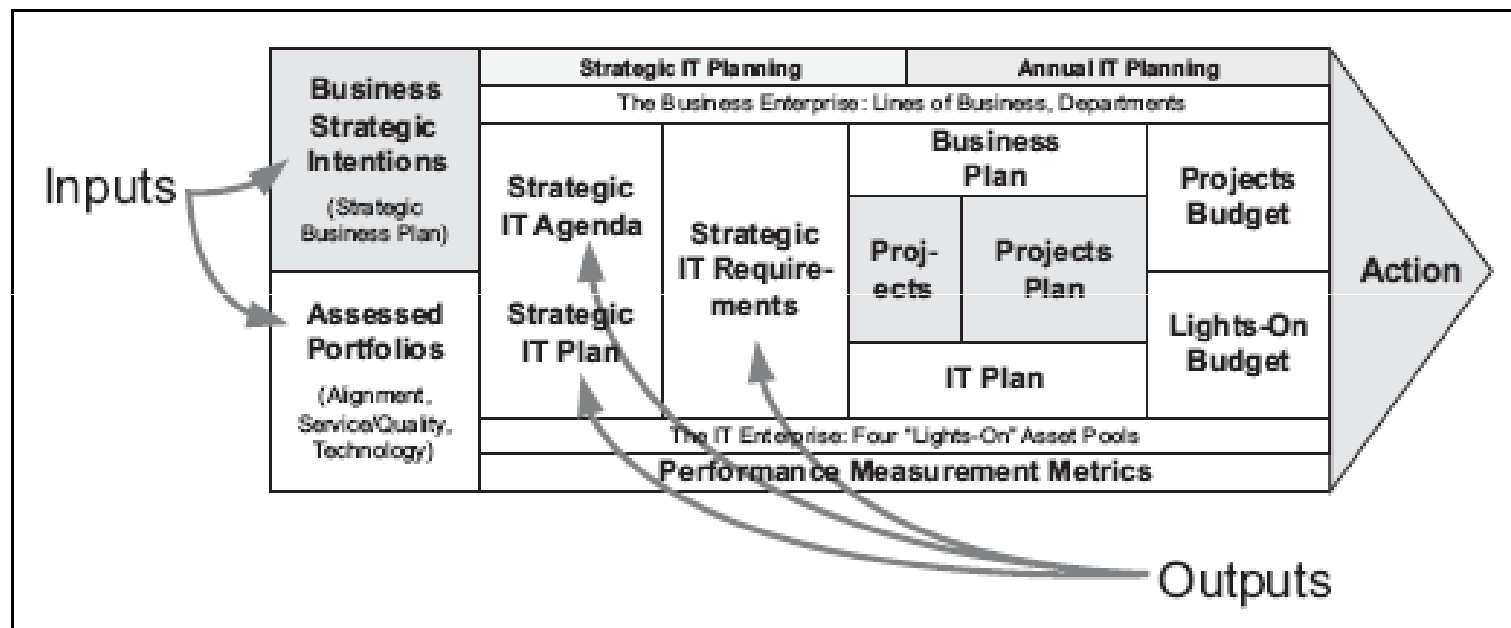
EXHIBIT 9.2 Demand/Supply and Innovation Planning Practices



Source: Benson, et. All, (2004), From Business Strategy to IT Action, John Wiley & Son

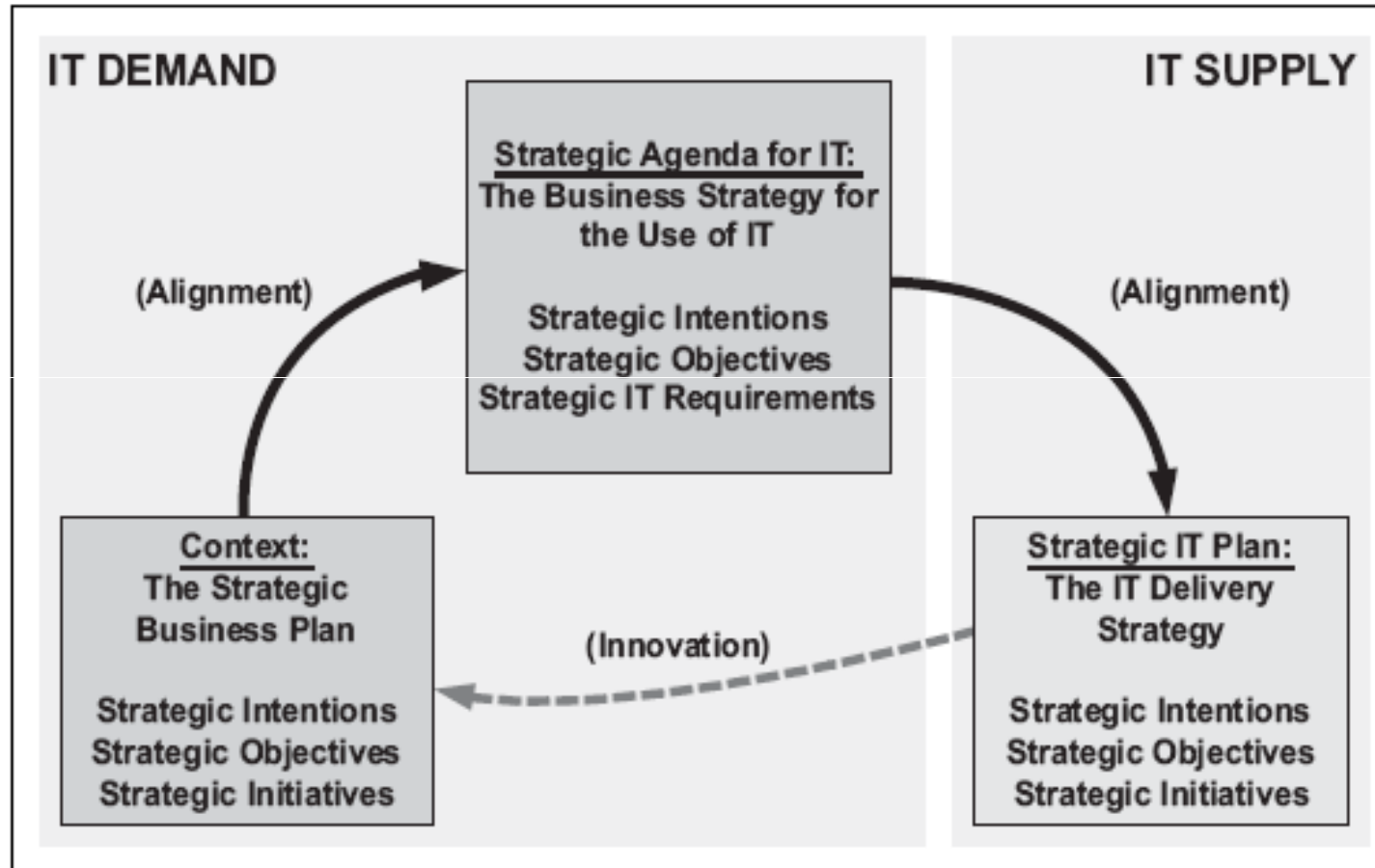
What Model for Demand/supply IT Strategy?

EXHIBIT 9.5 Planning Inputs and Outputs in the Value Chain



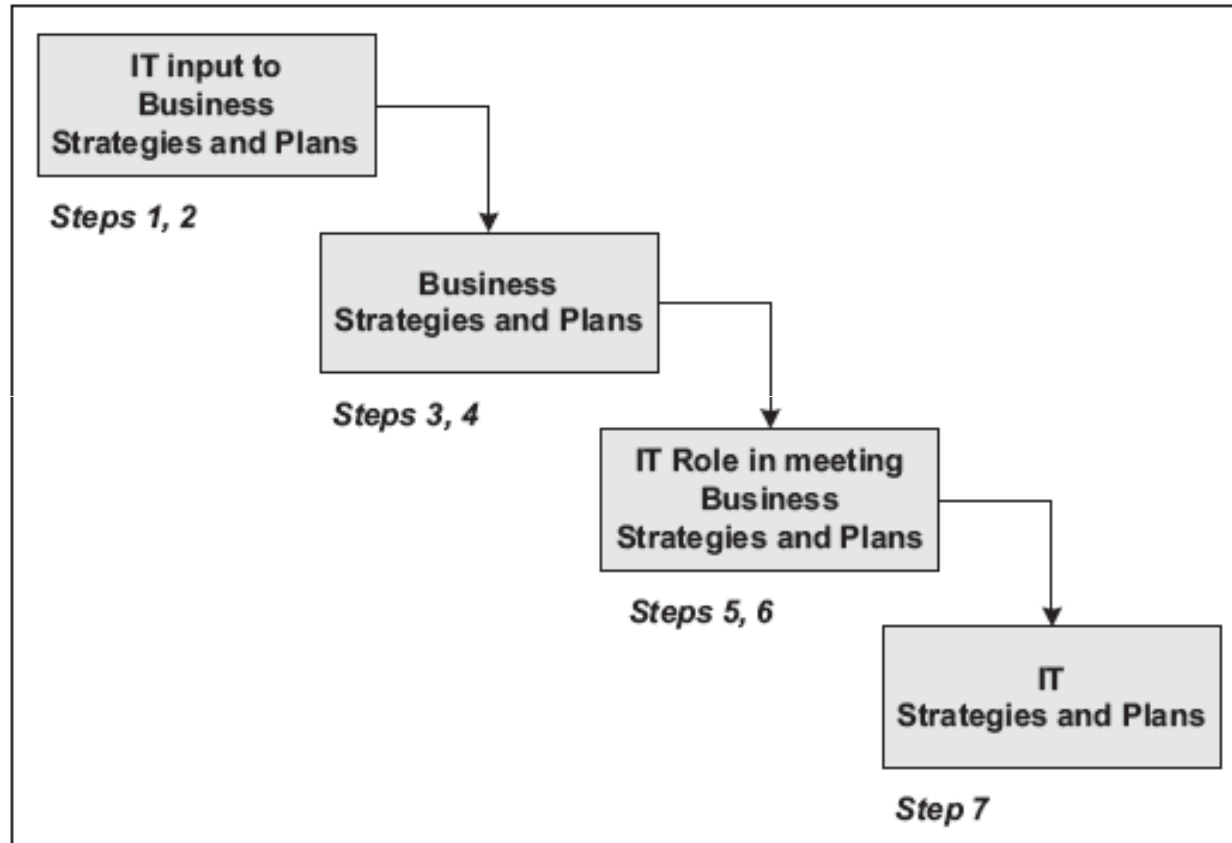
What's The demand and the supply?

EXHIBIT 9.7 Strategic IT Demand/Supply Plan



How to Implement Strategic Planning?

EXHIBIT 9.11 Step-by-Step Planning Process



Source: Benson, et. All, (2004), From Business Strategy to IT Action, John Wiley & Son

More detail?

EXHIBIT 9.13 Step-by-Step Planning Process

General Process	Step	Primary Purpose
Provide IT Strategic Input into Business Strategies and Plans	Step 1	Identify business mission and key management team objectives.
	Step 2	Visioning and Innovation: Awareness of IT potential for contributing to new and existing business strategy.
Identify Business Strategies and Plans	Step 3	Establish or identify business strategic intentions at a company level.
	Step 4	Establish or identify, for each key business organization, strategic objectives, and initiatives.
Establish IT Role in Meeting Business Strategies and Plans	Step 5	Define the Strategic Agenda for the use of IT; identify strategic intentions for the use of IT in the company.
	Step 6	Define the Strategic Objectives and Initiatives for the use of IT in each key business organization.
Prepare IT Strategies and Plans	Step 7	Define the Strategic IT Plan for the IT organization; define the strategic intentions, objectives, and initiatives for the delivery of IT.

How to make Clear Strategy between Business and IT?

	Demand		Supply
	Business Strategic Context	Strategic Plan for the Use of IT	Strategic Plan for the Supply of IT
Strategic Intention	Maximize marketing effectiveness—be the best we can be.	Every marketing and sales person has immediate access to complete customer information.	Establish the infrastructure and staff support to enable an effective, efficient, and complete data warehouse.
Strategic Objectives	Establish and improve customer communication programs. Ensure that customer service is the best in the industry.	Collect and maintain complete information about every customer interaction.	Implement a phased approach to a customer data warehouse.
Strategic Initiatives	Marketing—a new marketing program for dealers and distributors. Distribution—revised call-center organization to maximize time and quality responses to customers.	Establish business processes and organization support for a customer information system, leading to customer relationship management.	Work with Beta Group to identify best approach to a data warehouse. Purchase CRM data package.

What the Strategic IT Goal Should (Ideally)?

Goals	Practice Principles
Actionable, Commonly Understood Strategic Intentions	1. Actionable Strategic Intentions
	2. Actions Tied to Strategy
	3. Common Understanding of Strategic Intentions
The Right Business Results from IT	4. Business-Focused Outcomes
	5. Value-Based Resource Allocation
Management Culture and Consensus View Portfolios and Portfolio Management	6. Role-Based Culture Management
	7. Value/Portfolio-Based Resource Management
The Right Actions and Results	8. Responsive to Change

How to do Innovation?

