

THE SAVVY STRATEGIST

“...TURNING INTENT INTO ACTION...”

IN THIS EDITION



KEYS FOR IMPLEMENTING A STRATEGIC PLAN

It is an undisputable fact that organizations rely heavily today upon information technology as a key tool in delivering business. The failure of an organization to successfully harness the IT (Information Technology) tools and technology currently available can, in and of itself, be enough of a reason to lose a competitive advantage over a rival firm. Since it is often the case where large sums of capital are invested in IT infrastructure and systems, it is prudent to ensure that this money is being wisely spent.

This essentially starts to answer the question of why an organization needs IT planning. Information should be considered a significant asset requiring careful planning, investment and management. If proper care and attention is not taken to create and follow an IT plan, IT can become a costly burden to the organization.

Having established that an IT Plan

is necessary, it is important to ensure that the plan itself covers essential items. As a starting point, a successful IT Plan must follow on the heels of a well defined Strategic Plan. Once the vision, mission, goals, strategies and objectives are established in the Strategic Plan, the IT plan can then be developed to ensure that it also supports the vision, mission, goals, strategies and objectives of the organization. This is one of the critical success factors for an IT Plan - if it cannot be proven that the IT Plan supports the overall business strategy, then the IT Plan has failed.

In terms of its scope, the IT Plan must be able to set the bounds for all IT activity. This includes:

- *Organizational scope:* this includes the appropriate structure within which to manage IT. Roles, responsibilities, organizational structure and delivery scope all form part of this.
- *Business scope:* this includes the proper definition of a business

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Strategic Planning: Keys for Implementing

In past articles, we have presented various aspects of defining and developing a successful Strategic Plan. The subsequent piece of the Strategic Planning process is the actual implementation of the plan itself. Unfortunately, many planning documents have a notorious reputation for “sitting on the shelf” once they have been completed. The conclusion that can be drawn from this is that the plan itself was either not understood or accepted, or, as is often the case, the organization was not clear how to implement the plan. In this article, we

discuss some of the key factors in ensuring that a well-drafted Strategic Plan is implemented successfully.

Although there are many facets to ensuring that a plan is implemented properly, some of the key factors to successful implementation include the following:

- *Define clear and measurable Action Plans:* The action plans developed at the end of the Strategic Planning process are what make the Strategic Plan a reality. Once assigned, the action plans must be measurable



architecture through which all business activity is translated into systems. The business architecture essentially defines the information and activities used by the business on a day to day basis.

- *Technical scope:* this includes the infrastructure upon which the various systems will run. At a technical level, this includes networks, telecommunications, servers, operating systems, etc.

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against quantifiable criteria to gauge whether or not the actions are achieving their intended results;

- *Align the organizational structure with the strategy:* The organization must be prepared to change its structure if it is not conducive to accomplishing its newly defined strategies. An inefficient or inappropriately aligned organizational structure will not be able to carry out the full extent of the Strategic

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— IT Planning ...cont'd from p.1



Watch for the August issue of **The Savvy Strategist** where we discuss the SWOT Analysis - strengths, weaknesses, opportunities, and threats and how this knowledge can benefit an organization..

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- *Application scope:* this includes the software, tools and standards that show up on the desk top. Applications are the “interface” between the automated information and the end user.

All of this should be clearly laid out through a detailed IT Plan with clear linkages back to the business strategy.

All plans are essentially roadmaps to accomplish desired end results. If a plan is not intentionally developed, activities will happen in the absence of a plan frequently with less than desirable results. Some of the key symptoms of a non-existent, poor or unclear IT plan include:

- *Uncontrolled, unnecessary or excessive IT spending:* IT projects are infamous for being late and/or over budget. A clear IT plan helps to control this through a clear purpose, scope, direction and strategy for each project.
- *Poorly delivered systems:* It is not uncommon to see a “well

built” system not deliver what it is supposed to. This means that the system may be technically sound but may not be meeting the business needs. This shows the misalignment between the IT Plan and the Business Strategy Plan.

- *Lack of technical direction:* In the absence of an IT Plan, it becomes difficult to know which technologies are suitable for the organization and which best enable the organization to meet its goals;
- *Poor integration:* Although many products available today make the claim of being able to integrate various aspects of an organization, integration does not occur well without a clear roadmap to accomplish this. It must be planned;
- *Poor service delivery levels:* One of the key items that a successful IT Plan helps clarify is the level of service delivery that the IT organization must support. Having a clear

sense of the needs and scope of IT requirements through the IT Plan help to define the service level requirements.

If an IT Plan does not exist at all, it needs to be created using a suitable methodology. This must be accomplished through a focused, thorough planning exercise that covers all of the areas listed previously. If an IT Plan already exists, it must be regularly updated to reflect changes in both the business and technical environments. The plan, once created, must become a “living” document which continually functions as the roadmap to guide the IT activities. Although the responsibility of administering the IT Plan rests with the IT staff, it is the ultimate responsibility of the organizational executive to endorse and support the IT Plan. Ultimately, even if an IT Plan exists, the most well defined plan is without value if the decision makers do not support it.

Linking the IT Plan to the Strategic Plan

The article entitled “IT Planning: Part of the Business Strategy,” in this edition makes reference to the relationship between an organization’s Strategic Plan and the IT Plan. This linkage is critical because of the ultimate role of IT within any organization - IT exists to support the business.

The Strategic Plan is the foundation for setting the vision, goals and direction of the organization at a strategic business level. Whether an organization is going through a subtle change or undertaking a completely different strategic direction, these guidelines are established at the strategic level. This strategic framework becomes the basis upon which all other activities in the organization occur.

Once this strategic direction is set, the action plans and associated tools are used to carry out the strategies. IT is one of these tools. At the start of the IT planning process, the quantifiable aspects of the organization’s visions and goals are used as the measurement points for ensuring the success of the IT strategies. For example, if an organization is seeking to increase sales or production by a measured amount, IT becomes one of the enabling agents by which to measure these targets. The resulting systems and processes instituted by the IT Plan are continually measured against their ability to support these goals.

It is crucial to understand this linkage, especially regarding IT, to ensure that the IT costs are justi-

fied in supporting the business goals. There is no mystique to substantiating any investment in IT since there must be, in all situations, a clear path to how that investment will support the business.

Once this alignment is properly achieved at a strategic level between the Strategic Plan and the IT Plan, it can then be carried out to all levels of implementation within an IT context. It should always be clear for the executive of an organization to understand where its IT expenses are coming from and how these expenses will ultimately further the goals of the company.

— Strategic Planning: Keys for Implementing...*cont'd from p. 1*

Plan;

- *Cast a clear vision through solid leadership:* If people are not being led by strong leaders towards a clear vision, the implementation of new strategies will falter or fail entirely. Leadership is not only important at the “top” but also throughout the entire organization at all management levels;
- *Estimate resources appropriately:* Ensure accurate and realistic estimates for people, time resources are prepared. Once assigned, these resources need to be made available to ensure that work on the action plan can occur;
- *Assign appropriate staff:* Even if the organizational structure has been defined correctly, inappropriately trained or skilled staff will not be able to execute the Action Plans. The act of assigning and ushering people through a strategic change is a process. Staff may need to be re-assigned, hired, trained or re-trained or even in some cases replaced;
- *Communicate effectively and frequently:* Failure to communicate is one of the most common reasons of failure for almost any organization.

ditional activity. This is also true of implementing the Strategic Plan, especially if a significant amount of change is involved within the organization. Staff need to be made aware of what is happening, how they are involved, and how it is going to impact them;

- *Review and Evaluate:* Individuals or teams need to be evaluated at appropriate intervals based on the measurement criteria that have been established. Accurate, honest and timely reviews are critical to ensure that the action plans and the staff carrying them out remain on track. Many types of formats for this feedback are available such as review meetings, interviews, status reports, etc.;
- *Recognition of Results:* Any organization expecting to achieve results through a Strategic Planning process must be prepared to reward or recognize results when they are achieved. It is not enough for an organization to simply achieve strategic goals but participants must be allowed to experience their contribution to the ac-

complishments. This can typically be attained through various forms of compensation or incentive programs.

It is to be expected that there will be hurdles and challenges throughout the course of implementing a Strategic Plan; however, following these keys for implementing a Strategic Plan will help to manage through the challenges and achieve success.

*FOLLOWING THESE KEYS FOR
IMPLEMENTING A STRATEGIC
PLAN WILL HELP ENSURE ITS
SUCCESS*

Questions & Answers

Q: We have a small business that is growing quickly. The market is good and sales and revenues are rapidly increasing. It continues to look positive for the future. Do we need a strategic plan now and why?

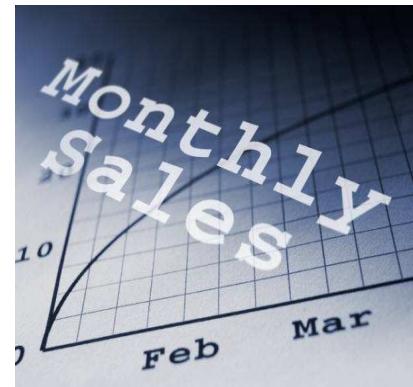
A: The quick answer is “yes”, a strategic plan is critical in periods of intense business growth. When a small business is in growth mode, much energy is focused on simply delivering the business which usually means getting the product or service delivered to the client. There does not seem to be enough time available for planning ahead since everyone tends to spend their time on day-to-day activities. While this is an excellent sign that business is good and revenues are increasing, this is exactly the time to ensure that overall strategies and accompanying action plans are in place and are supported by infrastructure and systems that will sustain the increased level of business. If sales and revenue increase, strategies need to be in place to deal with factors such as longer term increases in inventory levels, increased production, quality control and assurance, cash flow management, staffing additions, sales and marketing budgets, etc... When each of these items has been addressed in an overall strategic plan, the systems are in place to deal with the increased capacity in an appropriate manner

so as to ensure clients’ needs continue to be met despite increased volumes. Many businesses grow so quickly that planning is neglected which leaves the infrastructure and systems that support the overall business weak. Subsequently, a fair number of businesses fail even though growth is good because they are not able to effectively deal with continued increased demand over a longer time frame. Quality declines, service declines or they are simply unable to manage cash flow or deliver on customer requirements.

With a detailed and actionable strategic plan in place, a growing business will be able to better respond to clients’ demands. The business will have prepared for expansion ahead of time and systems will be in place to ensure that the transition from a small to medium or large size business can take place in a smooth and positive manner.

Secondly, it is important during times of intense growth for management and staff to be fully aware of the overall direction and strategy of the company, particularly in periods of time where there is a significant amount of activity related to the growth. It

is easy to get caught up in the flurry of activity surrounding the growth and forget that there is a longstanding overall strategy for the organization that will carry staff through the current growth period to a sustainable future. This helps in the day-to-day aspect of their jobs as they can see not only the current activities but can also anticipate the longer term outcomes and strategies as well. A healthy perspective will evolve when individuals can see where they “fit in” into the future.





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“...TURNING INTENT INTO ACTION...”

Savvy Management Group Inc. is a business strategy consulting firm that focuses on helping clients turn intent into action. It was founded by both Rod Stewart, an experienced business consultant specializing in the areas of overall strategic planning, project management, information technology strategy and change management strategy; and Shannon Stewart (B.Comm) a skilled and experienced business consultant with experience, knowledge and training in the areas of overall strategic planning and business management. Both founders are American Management Association (AMA) Certified Strategic Planners.

Our mission is to assist businesses and organizations in understanding and utilizing the strategic planning process to achieve greater success through preparing a workable road map in the form of a strategic plan. In conjunction with this, we also offer related services such as: project management, facilitation, change management, business process review, customer relationship management and strategic alliance formation and management.

If you are interested in learning more about our strategic business consulting services, please contact us at the e-mail address listed. We would be happy to help you understand how the strategic planning process can work for your organization.

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Personally Speaking...

by Rod Stewart

One of the most significant challenges that I have seen organizations face when it comes to planning is adopting a method which will implement a successful plan. By default, decisions will be made whether there is a formal structure for the planning process or not. In many situations, organizational leaders are faced with planning tasks but it is not their primary focus or their main area of expertise. Often, leaders are trained in certain disciplines but not necessarily in strategic planning in its purest form. The end result of this is a planning structure that achieves far less success than it should.

It is for these reasons that I firmly believe that it is in an organization's best interest to ask for assistance during a formal planning process. This is not an admission of failure by the organization that they cannot plan, but rather a recognition that, like any other discipline, there are planning experts that can assist an organization with achieving the most from its planning activities.

The benefits of seeking outside assistance during a planning process are many. A planning

expert:

- Brings a structured process and formal method by which the planning process can occur. This ensures that the planning process is clear and produces results that everyone can see;
- Has the ability to look beyond the current bounds of any systemic issues, procedures, or politics that may impede the planning process;
- Focuses solely on the planning task and ensures that the planning process is completed quickly and efficiently, unhindered by tasks or responsibilities that a person internal to the organization will have;
- Provides Facilitation services to ensure that participation of all involved occurs fairly and equitably. Often, tasking a staff member with facilitating a planning process internally introduces issues simply because of the perception that the staff member may not be impartial;

- Can be used as little or as much as necessary. Depending on how mature an organization is in the planning process, an individual can be brought in to do only facilitating or, at the opposite end of the spectrum, introduce the entire planning process and assist in the follow through.

Remember, whether or not a planning process is formally in place, decisions will be made. In my opinion, it is better to have a plan developed by intention and purpose rather than by default.

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