

Strategic IT Planning

What is a strategic IT plan?

A strategic IT plan, or IT Strategy, is the road map to guide IT investments through the next 12 months and beyond – aligned with the business plan. The plan should cover three to five years, with the most focus on the next 12 to 18 months unless there is a longer-term project on the table. The plan should include high-level goals and plans for all areas of information technology that affect the business, not just the infrastructure. A road map for IT is useful in illustrating overall strategy.

The plan should also clearly describe the specific business drivers, assumptions and plans that informed the IT strategic plan, and should include measurements of progress. The goal is not precision but the ability to measure appropriate progress toward goals.

Finally, a strategic IT plan is something that is not created once and put on a shelf, but it is a document that should be reviewed and revised as necessary at least once during the fiscal year.

Why is it important?

A strategic IT plan aligns technology investment to the business and social mission. The purpose of the Business and IT Alignment activity is to outline an integrated strategy of mutually reinforcing technology initiatives that will enable the MFI to achieve its core business and social goals. It will help the leadership evaluate potential technology investments and make the right choices as to which IT initiatives should be prioritized and what business value the initiatives will provide.

The plan also facilitates better communication between IT department and MFI leadership.

Strategic planning is the one tool CIOs can use to communicate the value of IT to the rest of the organization. Someone in IT should be thinking about IT strategy most of the time, and their job the rest of the time should be making sure they're connected to everything that's going on in the business. Another role of the IT strategic plan is to improve the business-IT relationship. A CIO needs it to communicate with the business, to tell them that he understands the company's needs and to set expectations



Tips and Tricks

- Throw out the IT lingo and connect your goals to key business drivers.
- Details don't belong in the strategic plan.
- Strategic plans require regular revalidation and refreshment. The strategic plan needs to be a living thing.
- Keep it real. When in doubt underpromise and overdeliver.

How can an MFI create a strategic IT plan?

	Process Step	How?
1	Review the Business Strategy – Organizational Identify the business and social goals of the organization; identify key information gaps and projects needed to achieve organizational goals.	Interview the Executive Team (See Appendix A for questionnaire)
2	Review the Business Strategy – Department Identify the department level goals; key responsibilities and information gaps and projects needed to achieve the departmental goals.	Interview the Department Heads (See Appendix B for questionnaire)
3	Review the Business Strategy – Clients Understand the customer and field office needs	Conduct field visits to interview clients and understand current operational business processes
4	Identify Core Business Objectives Based on the interviews, create a set of 10-15 core business objectives that describe the most important objectives for the MFI. The objectives should be organized around: <ul style="list-style-type: none">• Client perspective – how should the MFI look to its customers?• Financial perspective – how should the MFI look to its donors and investors?• Internal Process perspective – at which internal operations must the MFI excel in order to satisfy	



	<p>your clients?</p> <ul style="list-style-type: none">• Building for the Future – how must the MFI learn and improve?	
5	<p>Consolidate Gaps and Brainstorm solutions</p> <p>Review the consolidated list of objectives and the information and technology gaps that have been identified. The planning team should ask themselves, “What IT solutions would make it easier for our MFI to achieve these business objectives?” During brainstorming, the team should not prioritize potential initiatives, but generate an inclusive list of many options.</p>	<p>If the IT department is small, this is a good time to bring in a technology expert for consultation.</p>
6	<p>Prioritize the IT initiatives</p> <p>Create a matrix to help reduce the broad list of brainstormed IT initiatives to a short list of key IT programs. Compare the 10-15 business objectives with each potential technology solution and indicate which technology initiatives will provide the most value to each business objective. Only those IT initiatives that provide substantial value to the annual business goals should be included in the IT strategy.</p> <p>Note that the most number of ‘X’s does not necessarily mean the most valuable technology solution. An IT initiative may only support one business goal but can still be a critical IT initiative. In the given example, the HRIS IT project only supports all the HR related business goals. Remember, however that in case of low retention rate and high growth business plan, HR is critical.</p>	<p>Use a matrix to compare business objectives to initiatives (see Appendix C: Business Objective and IT Initiative Matrix)</p>
7	<p>Create an implementation roadmap</p> <p>Finally, the core IT initiatives required to support the MFI’s business and social goals should be placed against a three-year implementation horizon to show the recommended phasing and highlight how each program is related.</p>	<p>If the IT department is small, this is a good time to bring in a technology expert for consultation.</p>