Strategic Planning

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What Is Strategic Planning?

• A process for determining
  • Where you are
  • Where you intend to be
  • How you’re going to get there
Why Do It?

- To control the things you can control and deal with the things you can’t
- One way for your organization to add superior value to your customers
- It’s your responsibility as a manager
- If you don’t do it, someone else will
The Generic Process

1. Define current state
2. Analyze trends
3. Define future state
4. Analyze gap
5. Develop plan

Diagram: A cycle showing the process flow from Define current state to Analyze trends, then Define future state, Analyze gap, and back to Develop plan.
Getting Prepared

• Make it a group project – invite everyone to participate
• Make decisions by consensus, not majority rule
• If possible, get a neutral facilitator
Getting Prepared (continued)

• Question everything, ASSUME NOTHING – be prepared to put yourself out of business

• As manager, you set the tone – be careful about what you say and do, discuss the “undiscussable”
Getting Prepared (continued)

• Look five years out
• Allow enough time (6 months minimum)
• Plan series of two-day meetings with several weeks between each session
Defining the Current State

- Business definition
- Customer analysis
- Competitor analysis
- Strengths/weaknesses/opportunities/threats (SWOT) analysis
Business Definition

A single paragraph that answers the following questions:
• What is your offering?
• Who buys and consumes it?
• What do they get out of it?
Sample Business Definition

• Publication Services designs, develops and publishes information products for external customers. Our products enable our customers to learn how to use our company’s products so that they can perform their own business tasks with greater ease and effectiveness, making their businesses more productive and profitable.
Model for Business Definition

Customer functionality:
- Information for learning
  - Knowledge
  - Productivity
  - Profitability

Technology (offering):
- Consulting and analysis
- Project management
- Design and development
- Production and distribution

Customer groups:
- Company employees
- Customers
- Shareholders
- Society
Customer Analysis

• Who are they (who makes buying decision)?
• What are their key goals, objectives, and strategies?
• How are they organized?
• What are their critical success factors?
• How do they value for technical information?
Customer Analysis

• In your team, discuss what you would like to learn about your customers
  • External – what are the job? what do they like or not like?
  • Internal – how can we help them? what are their expectations?
  • How much money do you want to spend?
  • What skills levels do they have?
Customers’ Needs

- More than one kind of customers?
- How do they do their work now?
- Language, age, experience, education
- What do they prefer?
- What problems do they have now?
- What tasks they are performing?
- How can information make their lives easier?
Products of Customer Analysis

• Detailed information about individual customers
• Quick-reference summary for each customer
• Set of generalized conclusions about customers and your relationship with them
Sources of Customer Information

• User site visits
• Surveys (paper/email/phone)
• Focus groups and customer partnerships
• Internal information sources
Performing the Customer Analysis

• Use teams to conduct research, surveys, and interviews
• Work off-line – use full group meetings to review and consolidate findings
• High vs. low value for information
Performing the Customer Analysis

• Look for patterns and tendencies in the data
  • Similarities and differences between customers
  • Conclusions about your relationship, perceived value
# Sample Customer Summary

<table>
<thead>
<tr>
<th>Group</th>
<th>Success factors</th>
<th>Value for info</th>
<th>Value for us</th>
</tr>
</thead>
<tbody>
<tr>
<td>Admins Sources: H. Smith B. Jones</td>
<td>Speed performance</td>
<td>Install guides</td>
<td>Know products</td>
</tr>
<tr>
<td></td>
<td>Accuracy</td>
<td>Technical notes</td>
<td>Know support</td>
</tr>
<tr>
<td></td>
<td>Expertise</td>
<td>Error recovery</td>
<td>Access to experts</td>
</tr>
<tr>
<td>End users Sources: A. Brown T. Miller J. Doe</td>
<td>Ease of learning</td>
<td>User guides</td>
<td>Technical knowledge</td>
</tr>
<tr>
<td></td>
<td>Speed performance</td>
<td>Tutorials</td>
<td>Instructional design</td>
</tr>
<tr>
<td></td>
<td>Increased productivity</td>
<td>Ongoing support</td>
<td>Business insights</td>
</tr>
</tbody>
</table>
Sample Customer Analysis
Conclusions

- Our customers are computer experts
- Experts value all the information they can get
- Our customers are computer novices
- Novices value ease of learning and ease of use
- Novices place low value on information that is hard to find
Competitor Analysis

• Who are they? (think broadly)
• What are their capabilities?
• How do we compare?
• What are our sources of competitive advantage (what do we do differently or better)?
• What are our strengths, weaknesses, opportunities, and threats? (SWOT analysis)
Competitor Analysis (continued)

• In your teams, discuss who you believe to be your major competitors.
  • engineers and programmers
  • marketing, testing and QA, field service
  • customer service, training, HR, IS depts
  • outsourcing, independent contractors
  • accountants, other tech pubs departments
  • project leaders, product managers
Products of Competitor Analysis

- Data about individual competitors
- Strengths/weaknesses/opportunities/threats (SWOT) analysis
- Conclusions about your most significant competitors and your current sources of competitive advantage
Sources of Competitor Information

- Networks
- Business partners
- Publicly available information
- Interviews
- Benchmark studies
- Customers
Performing the Competitor Analysis

- Use teams to conduct research, interviews, etc.
- Work off-line – use full group meetings to review and consolidate findings
- Pay special attention to not-in-kind competitors, especially others doing work themselves
- Do SWOT analysis to summarize your competitive position
Sources of Competitive Advantage

- Difficulty to develop
- Work processes
- Core technology
- Market franchise
- Organizational capacity

Time (and cost) to copy
## SWOT Analysis

### Strengths

- Knowledge of products
- Good to excellent quality
- Good operating and managing processes
- Solid technical background
- Perceived as experts in Web design

### Weaknesses

- No multimedia experience
- Don’t have relationships with decision-makers
- Weak strategic thinking and business skills
- Perceived by some as slow and expensive

### Opportunities

- Customers need to get more value from information
- Leverage Web expertise to create multimedia
- Strong demand for information and knowledge of solutions

### Threats

- Continued trend toward outsourcing
- New generation of IT tools makes it easier for developers to think they can do work themselves
- Customers do not value our information
SWOT Analysis (continued)

• In your teams, list four major strengths and four major weaknesses.
Analyze Trends

• External forces that drive businesses:
  • Economics
  • Resources and environment
  • International factors
  • Social change
  • Technology
  • Politics
Products of Trends Analysis

• List of trends (brainstorm)
• Certainty vs. impact matrix
• Short list of most significant trends
## Degree of Certainty Vs. Impact

<table>
<thead>
<tr>
<th>Degree of certainty</th>
<th>Impact on business</th>
</tr>
</thead>
<tbody>
<tr>
<td>High</td>
<td>High</td>
</tr>
<tr>
<td></td>
<td>Must plan for</td>
</tr>
<tr>
<td>High</td>
<td>Low</td>
</tr>
<tr>
<td></td>
<td>Minimum resources if any</td>
</tr>
<tr>
<td>Low</td>
<td>Maintain flexibility in plan</td>
</tr>
<tr>
<td></td>
<td>Forget it</td>
</tr>
</tbody>
</table>
Defining the Future State

- What it takes to win
- Vision
What It Takes to Win

Given the most significant trends we identified:

• How can we gain power relative to others in the industry?
• Which customers should we serve?
• Which customer values should we address?
• Which competitors should we focus on?
Sources of Information

• Which customers to serve – customer analysis
• Which customer values to address – customer analysis
• Which competitors to focus on – competitor analysis
• How to gain power – synthesis of all info collected in current state analysis
Sample List of “What It Takes to Win”

• Lead company in applying information technology to communication needs
• Focus resources on key customer needs
• Develop set of products and services that are valued by the customers and cannot be provided by others
• Earn status of the best provider
Vision

A shared mental picture of how we would like the business to be...

“If you can’t see it, you can’t become it.”
Qualities of a Vision

• Comes from the mind and heart – asks too much of us
• We alone can make these statements – people recognize them as ours
• Radical and compelling – dramatizes wishes, hopes, and aspirations
• Conscious image that is the cause of our current behavior
Creating a Vision

• Could be a set of statements, a picture, or both
• Should be developed and must be understood and shared by the entire organization
• Should focus on customers, end-users, and other stakeholders
Sample Vision Statement

Who we serve:
• We are aligned at a strategic level with corporate business strategies.

What we do:
• We design, develop, and manage usable, useful information solutions.
• We identify and promote the appropriate use of leading-edge communication technologies and methodologies.
Sample Vision Statement (continued)

How we benefit our partners:
• Our solutions provide measurable competitive advantage to our customers and our corporation.
Sample Vision Statement (continued)

How we work:

• We work in flexible, self-managed teams that are focused on business objectives.

• We are leaders in using communication technologies and methodologies.

• Our internal processes ensure usable, useful information solutions.
Sample Vision Statement (continued)

How we are recognized:

• We are recognized and supported as an essential part of the product development teams and are considered to add value for customers.
Sample Vision Statement (continued)

• Our co-developers gladly support us with continued partnering, recognition, resources, and retention.

• We are recognized individually through professional and organizational advancement.
Analyzing the Gap

You know where you are (current state)

You know where you intend to be (future state/revision)

So how do you get there?
Analyzing the Gap

• Get everyone involved
• Develop a list of all the obstacles to getting to the various elements of the future state (everyone brainstorms with Post-Its)
• Consolidate duplicates and categorize
• Use the list of obstacles to create a roadmap/plan
Obstacles and Solutions

- Not enough time
- No impact on development/design
- No management support
- Late changes
- No schedule input
- Organizational barriers

- Set aside a hour a week for planning
- Prioritize and say NO
- Get involved early
- Set expectations
- Hire more people with the right skills
- Cross training in group
Obstacles and Solutions

- Hire interns and contractors
- Reduce scope
- Offer to write specs
- Highlight value of involvement
- Promote feature teams
- Offer to help in general
- Cost/benefit analysis
- Do a great job with what you have
- Educate management
- Enlist customer support
- Develop a clear proposal
- Research who/what they need
Obstacles and Solutions

- Advertise/sell/demo
- Communicate
- Freeze date for doc
- Make allies in other groups
- Get involved in development methods
- Educate in our process
- Product must have doc

- Process involvement
- Set realistic limits
- Support of managers and customers
- Look for allies/reduce costs by working together
- Present one view to customers
Developing a Roadmap

• What needs to be in place at milestones between now and the target date (~five years from now)?
Developing a Roadmap (continued)

• Develop a set of goals, objectives, strategies, and tactics with timelines and responsibilities

or

• Develop a milestone chart populated with events, activities, and metrics
Developing a Roadmap (continued)

• Get everyone involved
• Use chart of obstacles as a starting point
Developing a Roadmap (continued)

- Everyone writes on Post-Its at least one possible solution to each obstacle
- Everyone places his/her Post-Its on obstacle chart
- As a group, look at everything that’s been posted and consolidate similar ideas into Post-It clumps
- As a group, arrange solution clumps into time order on timeline chart
List of Obstacles

• In your team, develop a short list of obstacles
• For each obstacles, develop at least one possible solution
Developing a Roadmap (continued)

• You’ll have a mix of goals, objectives, strategies, and tactics (or events, activities, and metrics) – as a group, separate proposed solutions into proper categories

• There will still be gaps and contradictions in the roadmap – form work teams to fill in and resolve
Developing a Roadmap (continued)

• Review work of teams with entire group
• Formalize roadmap in a document distributed/available to everyone
Promoting Your Vision and Plan

Publicize and promote vision/plan with critical stakeholders:

- Your organization
- Your management
Promoting Your Vision and Plan

• Business partners, especially key decision-makers
• Other organizations in your company, especially those with information-related competencies
• Vendors from whom you buy products/services
Promoting Your Vision and Plan

• Discuss ways in which you can obtain recognition for your vision and plan.