

JAMES A ROBERTSON AND ASSOCIATES

EFFECTIVE STRATEGIC BUSINESS SOLUTIONS



9. Developing a Comprehensive Strategic Plan: Strategic SnapShots - different views to formulate an I.T. Strategy and the Strategic Process

Why your ERP is NOT delivering and how to FIX it

The Critical Factors for Information Technology Investment Success

Two Day Course

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DEVELOPING A ROBUST SPECIFICATION



1. NOT driven by a vendor or enthusiast proposal

2. NOT driven by "obsolete"

- Software does not wear out
- Source code is instructions for the "bricklayer" = processor
- Legal right to source code
 - Right to maintain and repair

Processors are
backward compatible



NO I.T. precedent but
probably achievable --
motor industry



3. A discretionary BUSINESS choice

Does the business NEED something and, if so, what?

DEVELOPING A ROBUST SPECIFICATION

WHAT IS REQUIRED FOR A VALUABLE OUTCOME



- 1. Add value**
 - to customer who is willing to pay
- 2. Materially and sustainably reduce operating costs**
 - AND does NOT destroy value in another way (e.g. morale or loyalty)
- 3. Enable the creation of a product or service that currently does not exist**
 - for a customer who is willing to pay
- 4. Defend, extend or create competitive advantage**
 - for a customer who is willing to pay

Can you relate your requirement to a customer?

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WHAT IS REQUIRED FOR A VALUABLE OUTCOME



1. Business is willing and able to specify and implement
 - Time (executives, staff, external resources)
 - Cost (business disruption, salaries, external resources, product)
 - etc
2. Business is willing and able to use
 - Organisational change
 - Training
 - Standards
 - Discipline
 - "Make it work"
 - etc

Can you REALLY see the organisation delivering?

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WHAT IS REQUIRED FOR A VALUABLE OUTCOME



1. Computers only add 0's and 1's
2. People must
 - conceive, specify, implement, operate
 - and apply the technology
 - ▶ to deliver measurable value

Any significant I.T. investment is therefore PART of a strategic business initiative

The challenge is therefore to develop a robust strategic requirement specification for a business solution that MAY include information technology

BUT

90% of Strategic Plans ALSO Fail!

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A ROBUST STRATEGIC PLAN REQUIRES



1. Comprehensive strategic definition
 - strategic drivers, value proposition, differentiators, values, etc
2. Clear business outcomes orientated strategic vision and objectives
3. Comprehensive analysis of strategic and competitive environment
 - Shareholder objectives
 - Market factors
 - External factors
 - Internal factors

} Maximize value creation
Minimize value consumption /
destruction
4. Analysis and design method that leads to "doable" plans
5. Implementation method that produces results engineered against failure
6. The will, determination, discipline and governance to make it happen

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EVALUATION OF REQUIREMENTS



1. Critical Issues Analysis -- at ANY level -- what is REALLY important

2. Gap Analysis

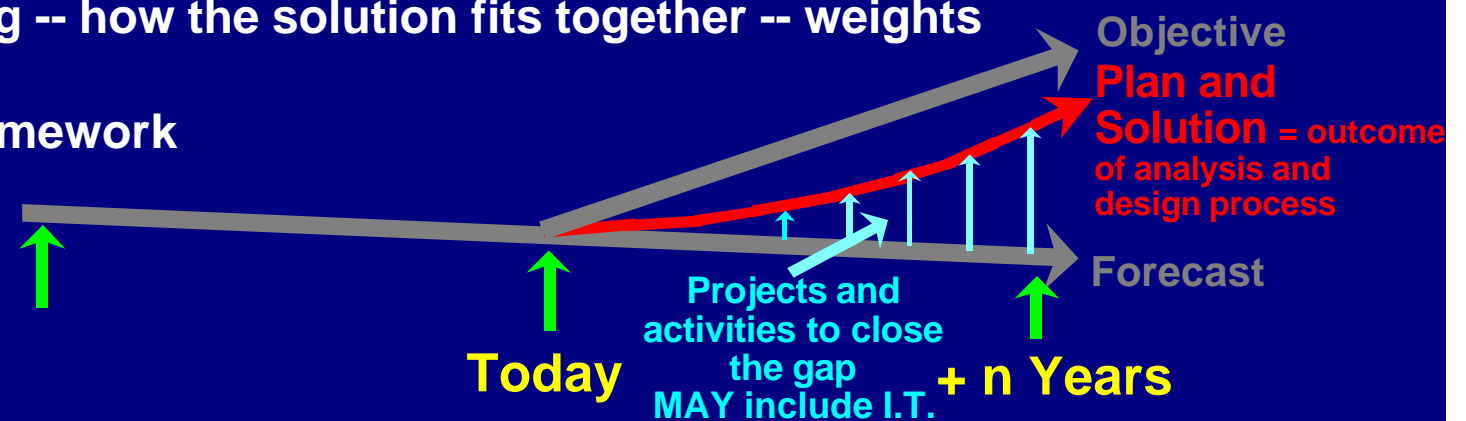
3. Design / Mapping -- how the solution fits together -- weights

4. Governance Framework

5. Action Plan

6. Project Plan

7. Plan Business Outcome Auditing, Monitoring, Performance Measurement and Incentives

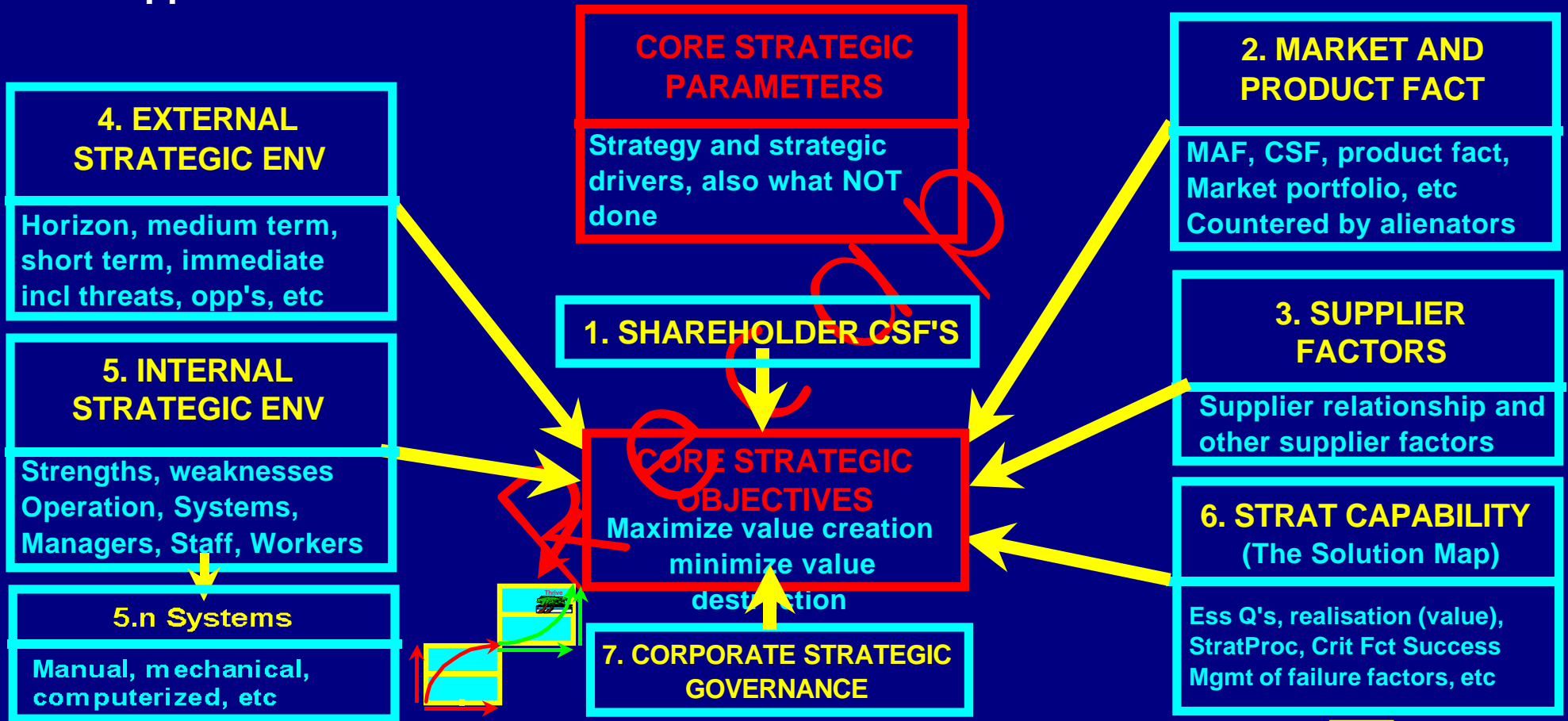


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Analyzing The Strategic Environment and Objectives



Support one or more of these:



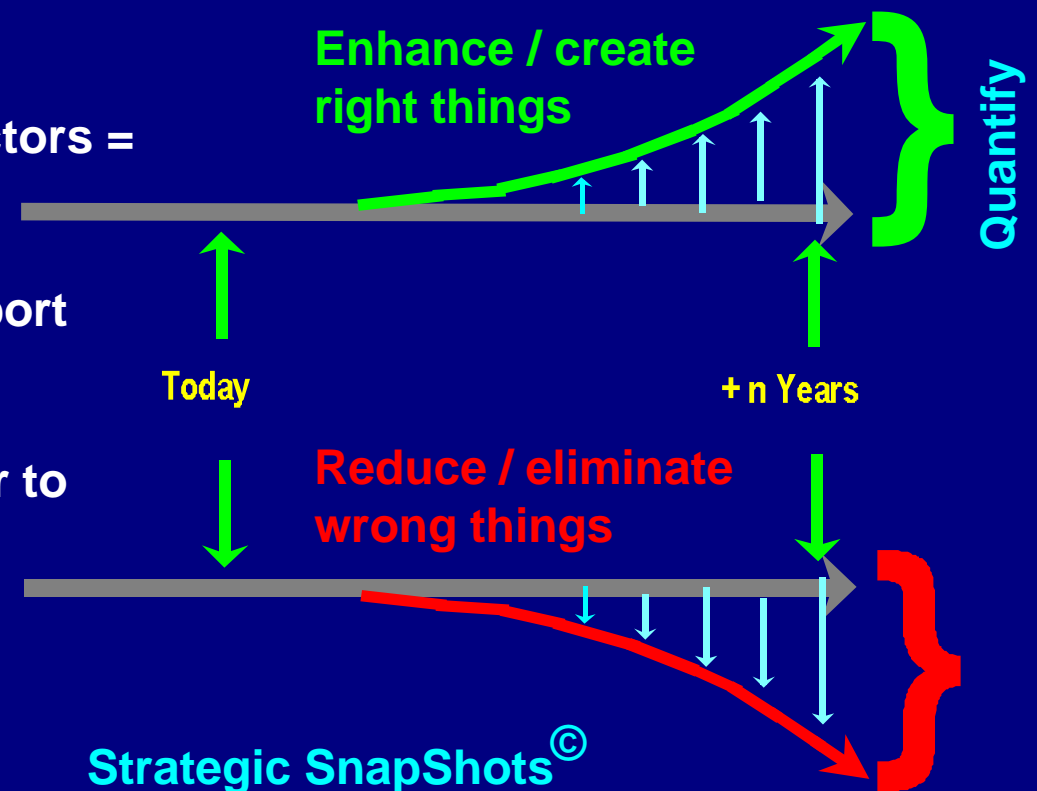
INTERNAL ENVIRONMENT Organizational Structure Culture Processes	EXTERNAL ENVIRONMENT Market Competitors Technology Economic Political	STRATEGIC CAPABILITY Resources Processes Project Teams
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ANALYSIS -- DETERMINE THE RIGHT AND WRONG THINGS



1. All factors that impact significantly on the business
2. The critical factors = the right factors = the strategic factors
3. Prioritised and quantified to support decision making
4. Ask the "right questions" in order to obtain the "right" answers



DEVELOPING A ROBUST SPECIFICATION STRATEGIC SCENARIOS



1. **Comprehensive strategic capability** ← **Recommended**
 - Structured analysis of strategic drivers
 - Clearly defined and quantified strategic objectives (value)
 - Structured analysis of strategic context (strategic map)
 - Comprehensive plans
 - Effective and reliable implementation that does NOT fail
 - Culture of continuous strategic improvement
 - I.T. projects are a natural outflow of the plans
2. **Commitment to, and plans for, comprehensive strategic capability**
 - Creating strategic context together with defining I.T. projects
3. **No structured strategic analysis, design and implementation capability**
 - I.T. projects must do the best they can to fit strategically

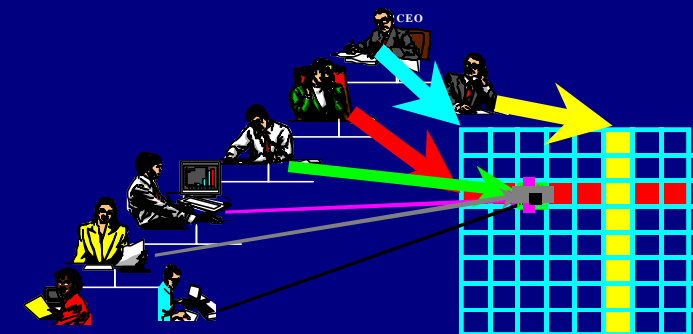
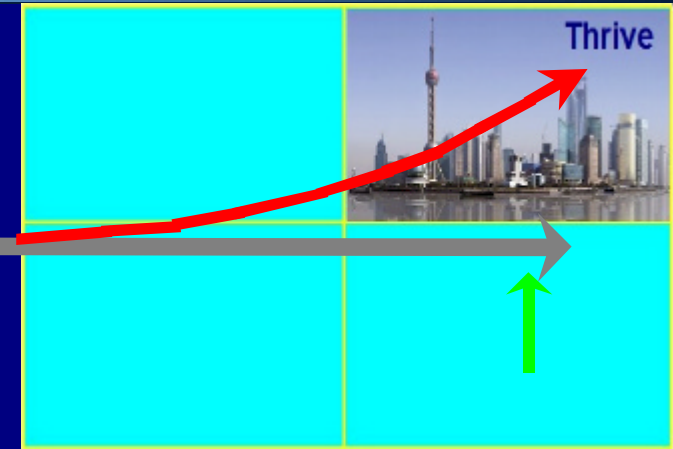
What follows is relevant to all of these scenarios

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THE CRITICAL FACTORS FOR SUCCESS



1. Executive Custody and Governance (25%)
2. Strategic Solution Architecture (18%)
3. Strategic Alignment (16%)
4. Business Integration and Optimization (14%)
5. Detailed Project Management Including Programme Schedule, Budget and Resource Management (12%)
6. Data Engineering (10%)
7. Technology Components (5%)



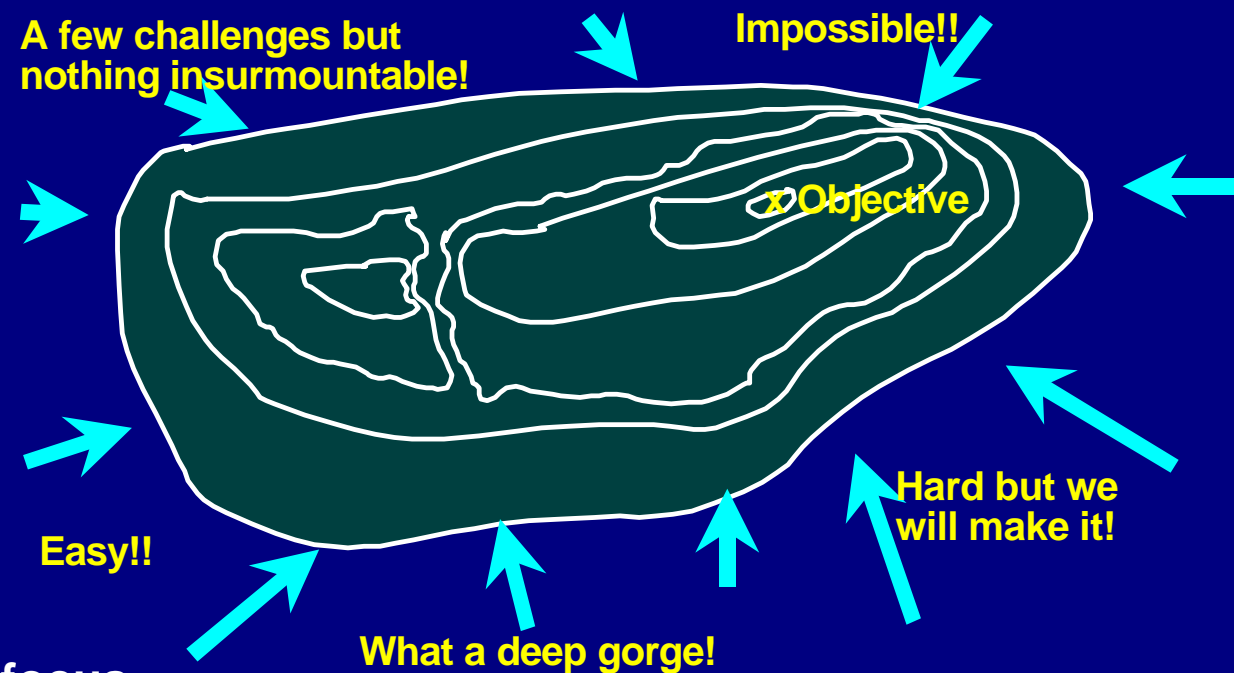
Success is achieved by effectively managing all of these aspects against failure

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1. Everyone sees the problem and the solution differently

- Executive
- Production
- Operations
- Marketing
- Finance
- etc



2. Strategic clarity provides focus

- Different perspectives remain valid and vital

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3. Understand different viewpoints and choose one principal project focus / driver. Include perspectives of:
 - The "most awkward person"
 - Blind spots
 - All stakeholders -- including customers
 - etc
 4. Pool collective knowledge and experience (wisdom)
 - Identify what is REALLY CRITICAL
 5. Measureable, numeric approach
 - Quantify different viewpoints
 - Discuss
 - Resolve
 - Document
- Business decisions by business management**
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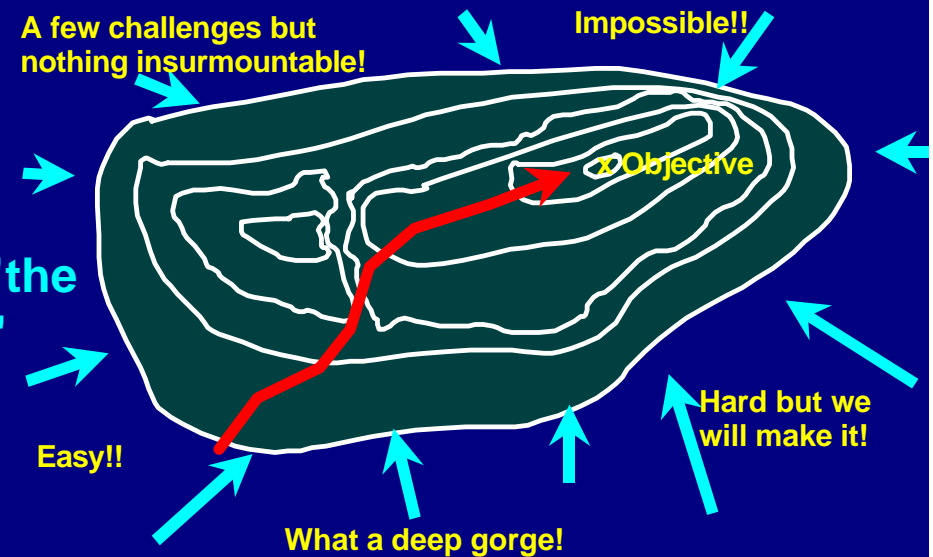
DETERMINING THE CRITICAL COMPONENTS: METHOD



Critical Issues Analysis (SnapShots)©

1. Select focus questions -- progressive elaboration, gain understanding
2. Brainstorm ALL ideas / points / requirements / etc
3. Synthesize
4. Criticize
5. Weight relative importance
6. Score how well currently doing
7. Weighted scores

Views of "the mountain"



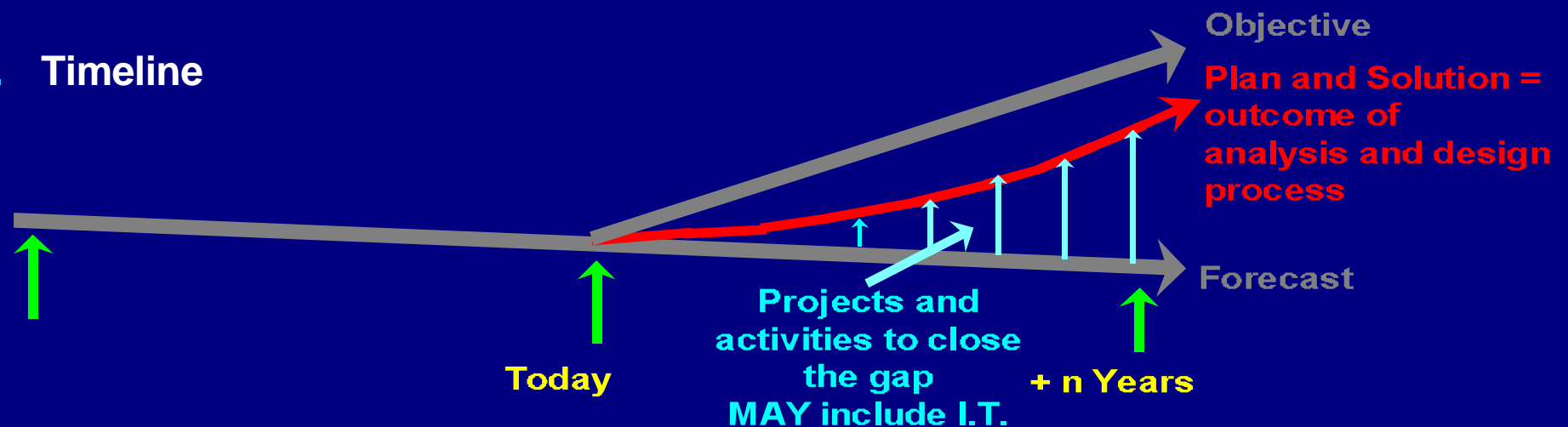
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EVALUATION OF REQUIREMENTS



Gap Analysis -- Projects / Activities / Components

1. What will be done?
2. How well are we doing it already?
3. Accountability
4. Timeline



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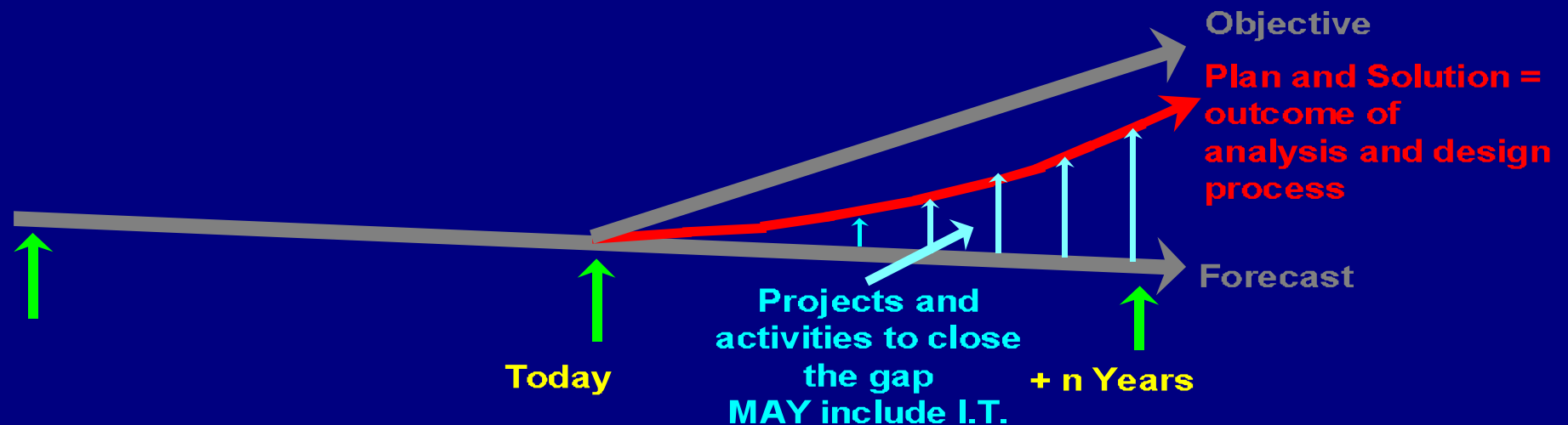
EVALUATION OF REQUIREMENTS



Gap Analysis -- Projects / Activities / Components

5. Resources (costs and constraints)
6. Risks
7. Customer impact
8. What value and how -- economics

Executive management is often the most serious constraint
-- ask the RIGHT questions
-- what is REALLY required?



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CONCLUSION



1. Business determines value proposition = requirement
2. Analyse strategic environment based on business objectives and opportunities
3. Determine value delivery options
4. Determine options to minimize value consumption / destruction
5. Specify what the business must do in order to deliver
6. Take decision
7. Develop I.T. requirements

Business case
drives I.T. specification

CRITICAL FACTORS FOR I.T. INVESTMENT SUCCESS DEVELOPING A ROBUST SPECIFICATION



QUESTIONS?

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Finding the missing pieces of your I.T. and strategy puzzles

Please remember the evaluation forms