



Business Strategy - IT Strategy - Service Strategy

The Strategy Cycle

Monday, June 11th 2007

Overview

Business Strategy

IT Strategy

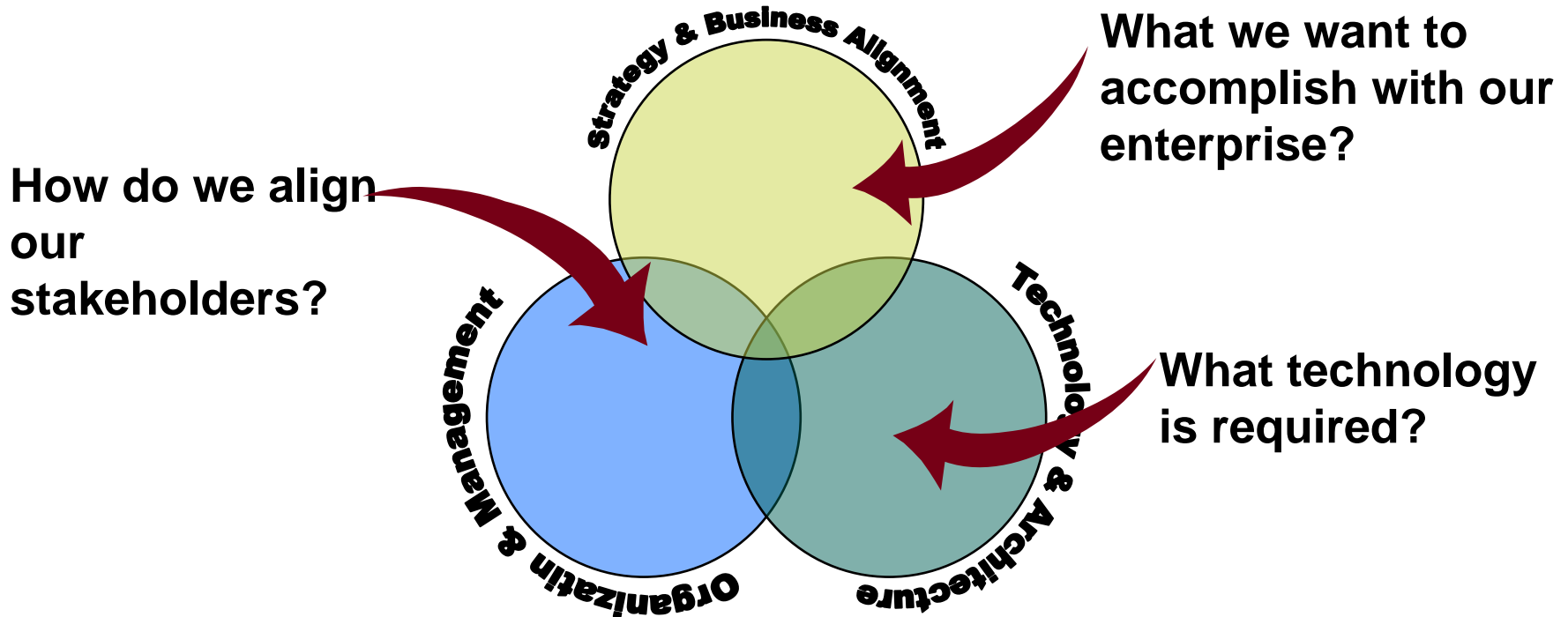
Service Strategy

Closing the Strategy Cycle

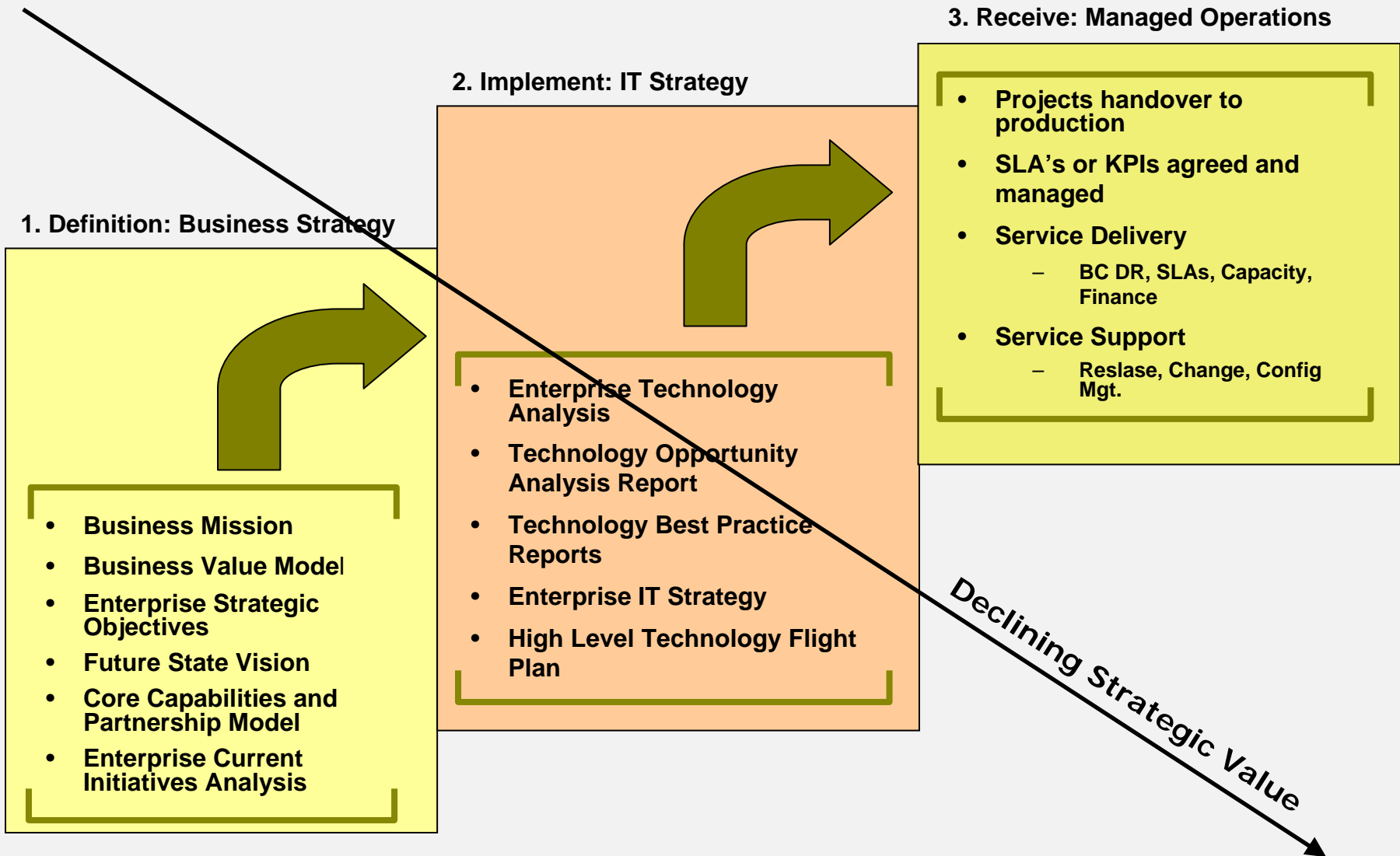
Any Questions?

Simplified Strategy Summary

“A long term, multiyear, plan intended to accomplish specified goals”

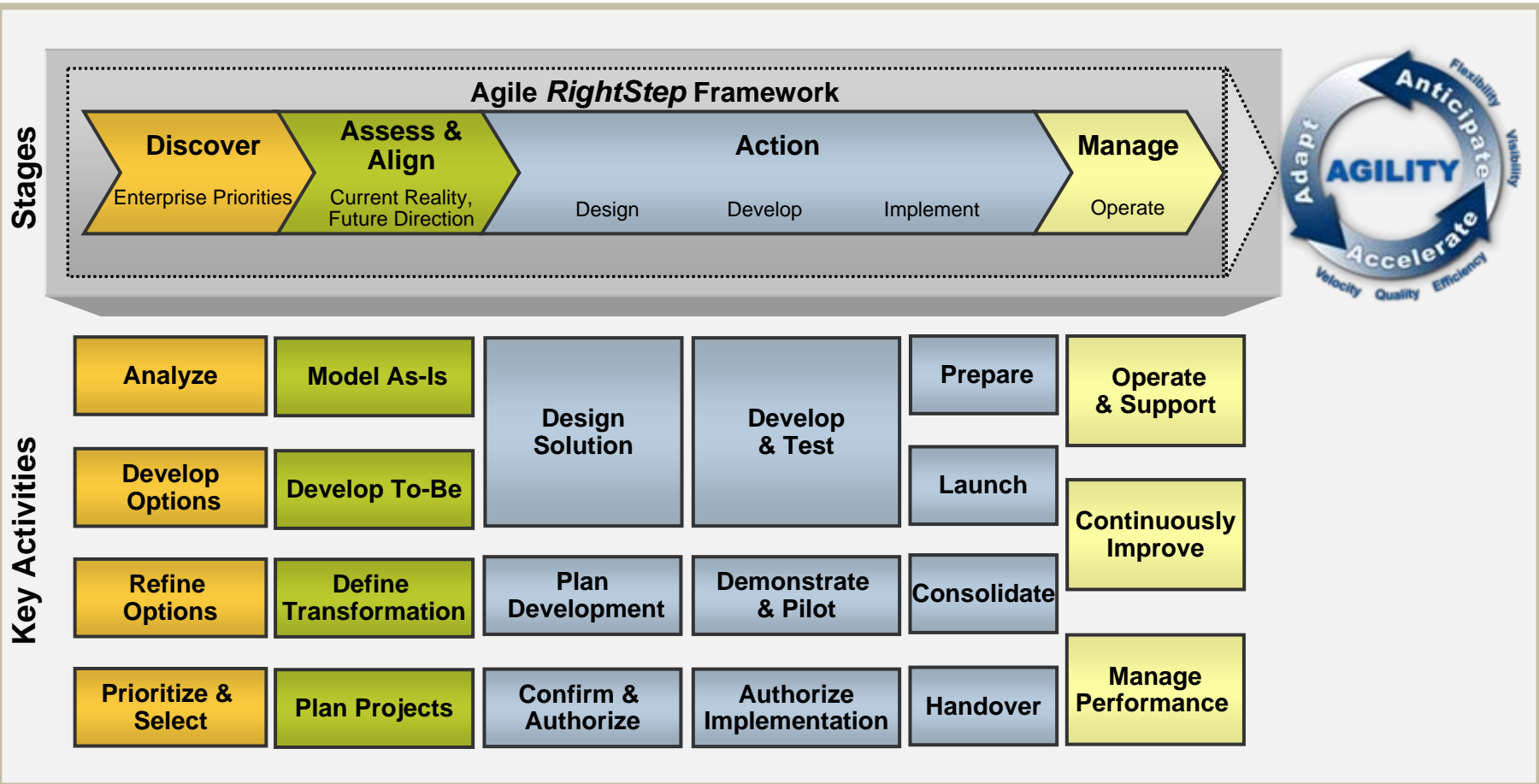


"Traditional" Linear View of Strategy Agenda



Our Approach

Agile RightStep Framework



Agile RightStep framework is EDS proven best practice and will ensure effective results for an enterprise IT strategy

Agenda

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Business Mission View: Future Vision

Mission: open ended statement of intent.

Vision: long term goal to be achieved with key milestones to be achieved in over time (also called a "maturity route map").

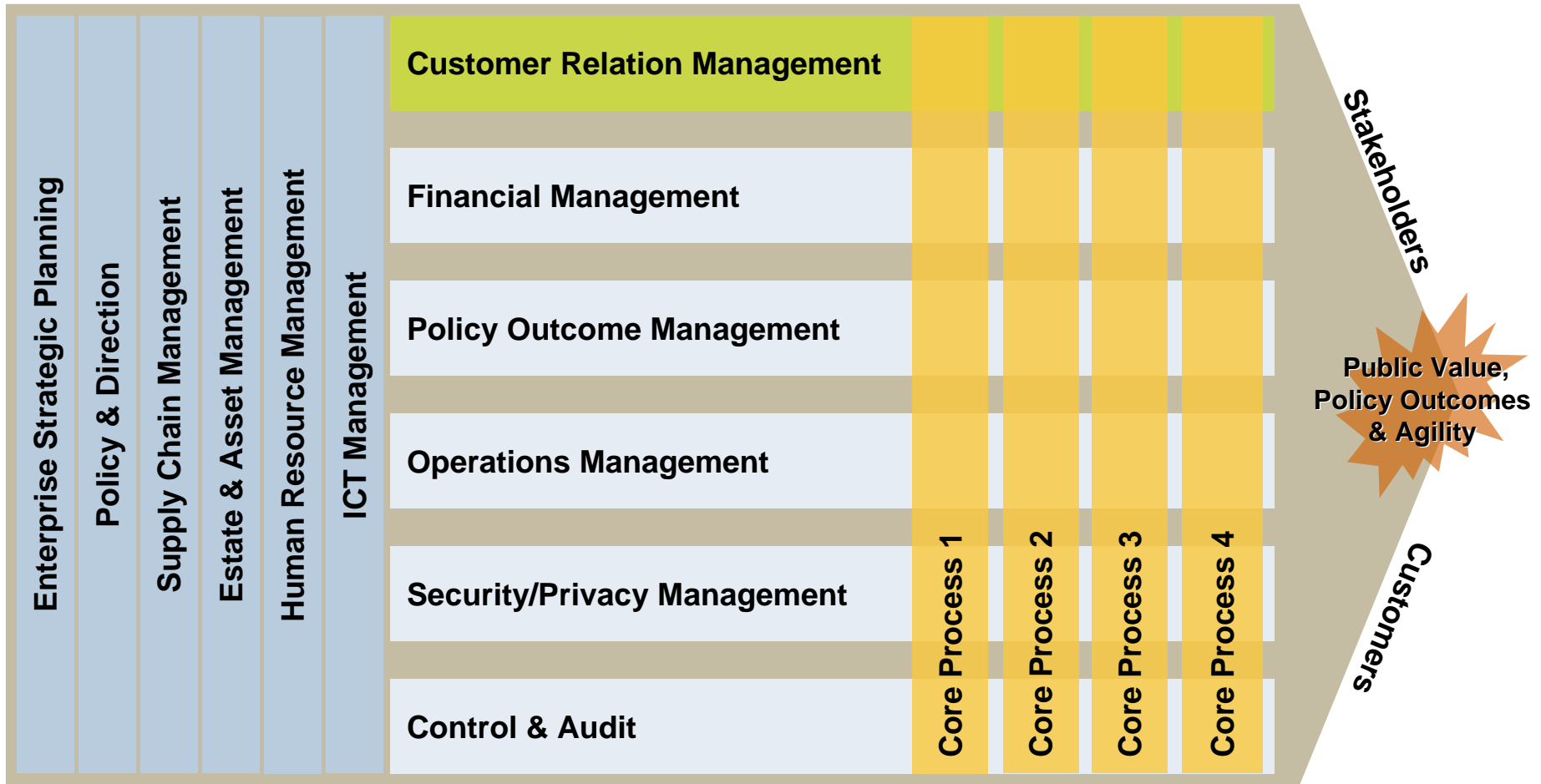
Objectives: specific and measurable short to medium term objectives assigned to Business Units and Departments.

CFS and KPIs: "Do wells". Measures that demonstrate achievement of specific business objectives.



Often used in conjunction with SWOT Analysis, Balanced Scorecard Analysis, Value Models, Service Delivery Models, future Business Models and Financial Models.

Business Process View



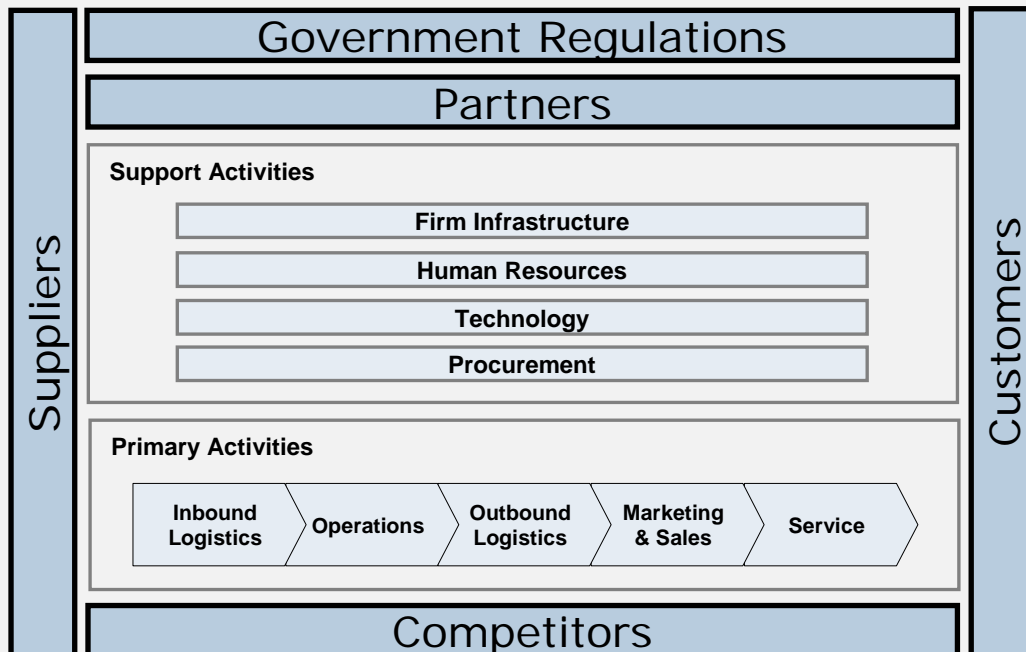
Key:

Enterprise Process
Strategic Planning and Enterprise Management

Relationship Process
Relationship Management

Managerial Process
Management and Operations

Core Business Process
Core Operational Processes



• Primary Activities (Line Functions)

- **Inbound Logistics** includes receiving, storing inventory control, transportation planning
- **Operations** Includes packaging, equipment maintenance, testing and all other value-creating activities that transform the inputs into the final product
- **Outbound Logistics** The activities required to get the finished product at the customers: warehousing, order fulfillment, distribution management
- **Marketing and Sales** The activities associated with getting buyers to purchase the service, including: channel selection, advertising, promotion, selling, pricing, retail management, etc.
- **Service** The activities that maintain and enhance the product's value, including: customer support, repair services, installation, training, spare parts management, upgrading, etc.

• Support Activities

- **Firm Infrastructure** Includes general management, planning management, finance, accounting, public affairs, quality management etc.
- **Human Resources Management** The activities associated with recruiting, education, retention and compensation of employees
- **Technology Development** Includes technology, research and development (R&D), process automation, design, redesign
- **Procurement.** Procurement of raw materials, servicing, spare parts, building, machines, etc.

Reducing costs and expanding performance by analyzing the value chain and utilizing IT technologies

Expected Business Strategy Outcomes

A Business Strategy might take a number of forms, but essentially it needs to answer key strategic questions.

- Where are we going as a business?
- What will be our business priorities?
- What markets/products/services/channels will we be in (and not in)?

The answers, for the whole Organisation, usually are framed as:

- A Mission & Vision.
- Broad future objectives.
- A clear articulation of 'what we need to do well', our critical success factors,
- Targets (often annual).
- New Organisation structures
- New Business Models
- New Service Delivery Models

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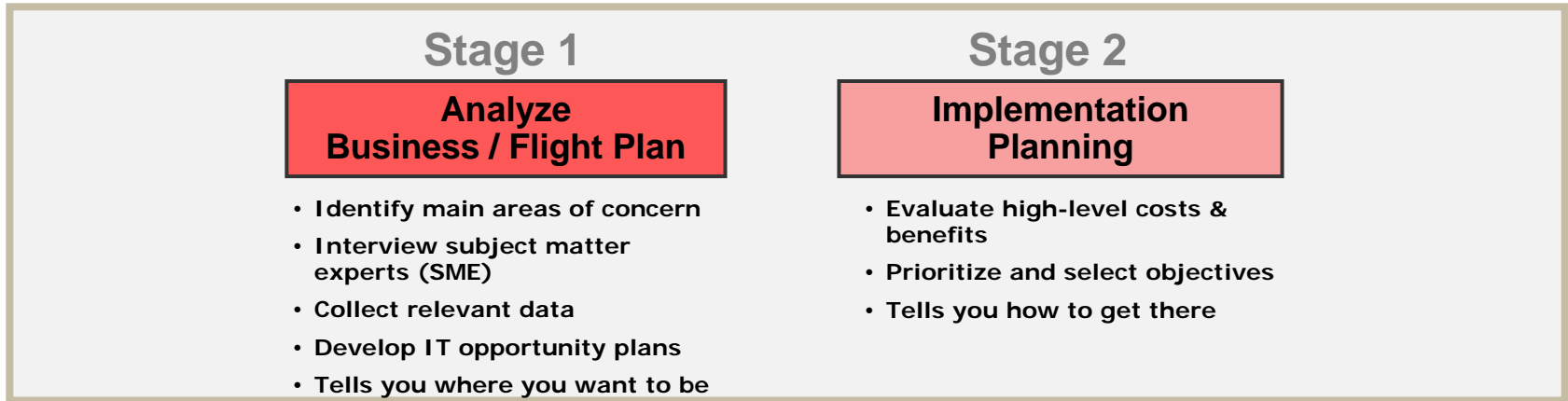
Closing the Strategy Cycle

Any Questions?

An optimal IT strategy must comprehend the "BATOG"



Overview IT Strategy: 2 key Stages



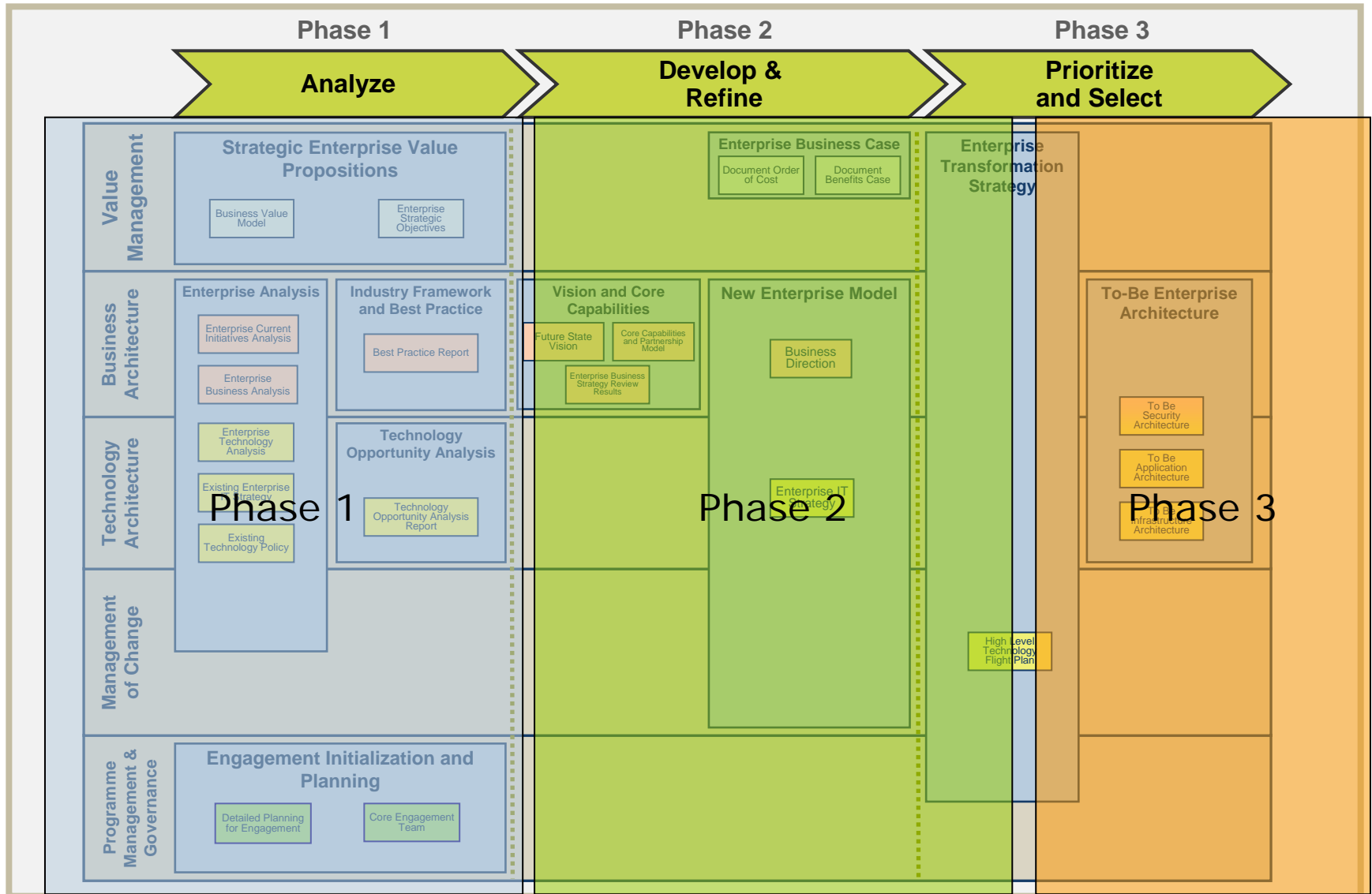
Scope Statement – Stage 1

- Analyze, extract metrics and define the IT strategy to serve as the IT flight plan
- Identify Critical Success Factors (CSF) and Key Performance Indicators (KPI) to verify objectives' achievements as an IT Strategy
- Define IT strategy governance to sustain on-going progress

Scope Statement – Stage 2

- The deliverables for Stage 2 are derived from Stage 1, the previous work and look to take the recommendations forward in a dedicated program of work, under proper programme governance.
- Strategic Planning Board
- Project Demand Management

Project Plan & Deliverables Phase 1



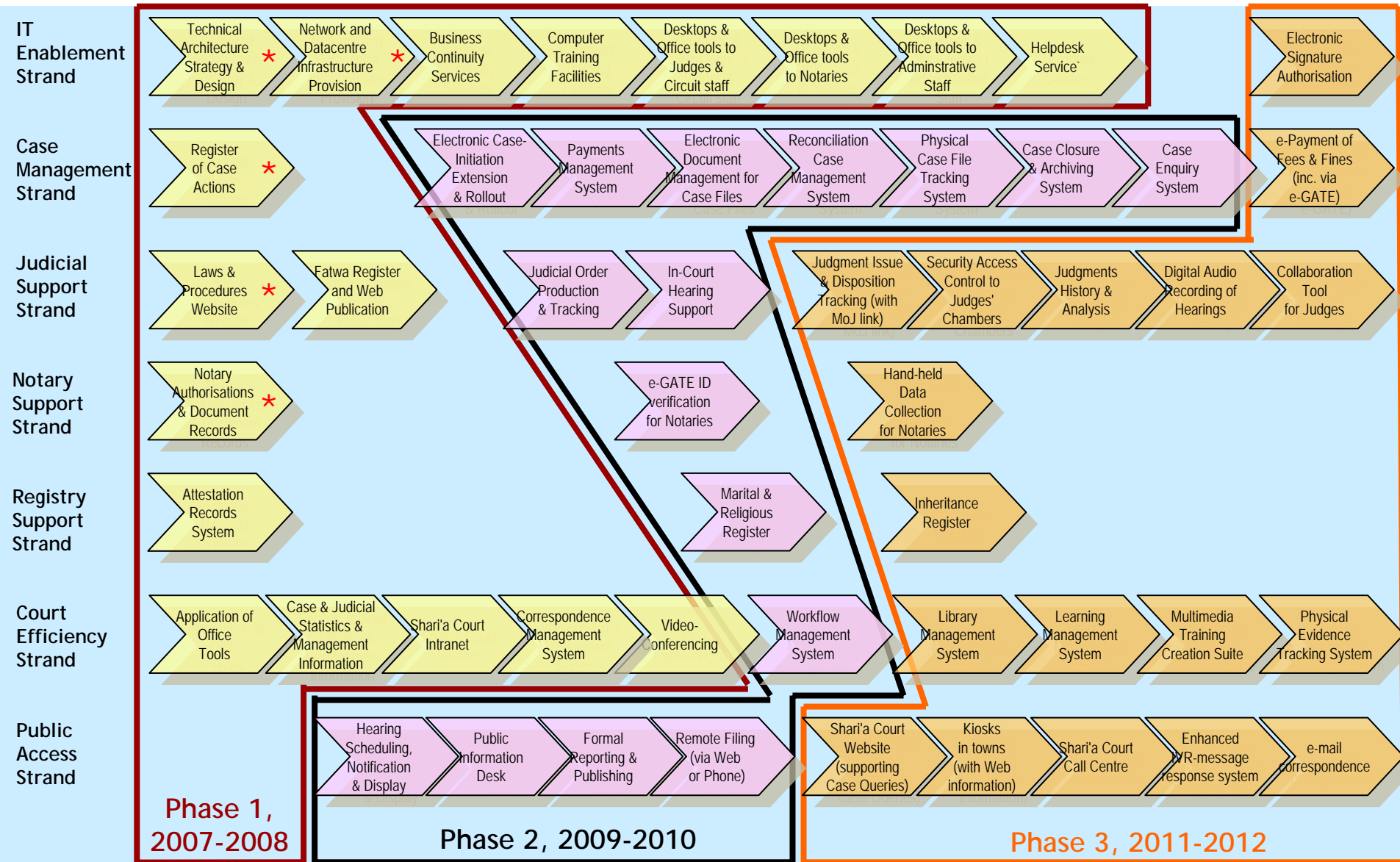
Inputs and Deliverables - Stage 2 Ongoing Mechanisms

It is crucial that the deliverables from Stage 1, are delivered into an environment where the key documents, such as the Enterprise IT Strategy and High Level Technology Flight Plan are kept up date as “living documents”.

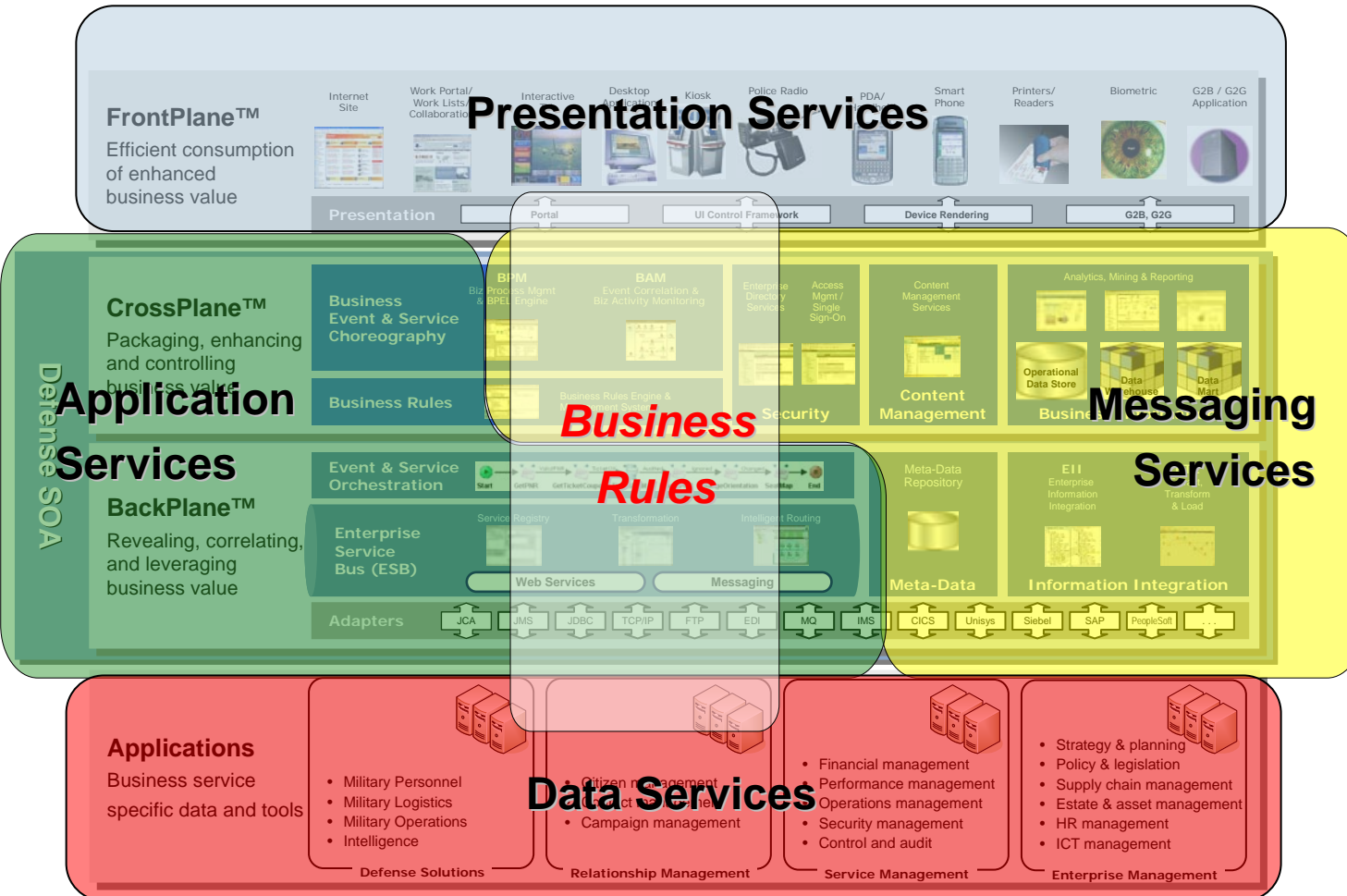
- Injazat recommends three mechanisms, or processes, to ensure that this is the case:
 1. Demand Management
 2. Ongoing Strategic IT Planning
 3. Programme Management
 - The Demand management process is an ongoing activity to collate and asses new requests and demand for IT initiatives to support the business. The proposed initiatives can be assessed for feasibility, cost, impact and criticality.
 - Ongoing Strategic Planning will, on a regular (e.g. quarterly) basis review the IT demand and prioritize against the strategic direction of the business.
 - The transformation Programme Office updates and executes the programme and project plans.

The responsibility for this can be addressed within a Strategic Governance framework

Example High Level "Flight Plan"



Example Application Architecture (EDS A³)



EDS' A³ Architecture provides for all four of the services layers and includes the business rules within the orchestration layer of CrossPlane.

The adapters are able to connect to the specific COTS tools and packages of each industry segment and each client. The BackPlane layer provides the abstraction needed to insulate the remainder of the organization from changes in the underlying applications.

EDS Agile Application Architecture (A³)

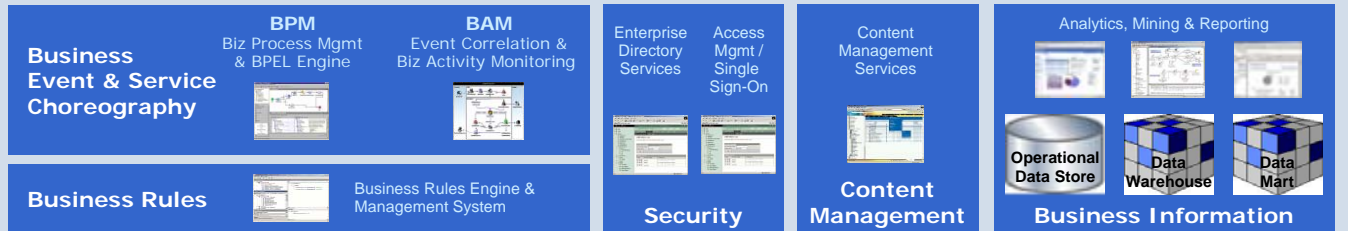
FrontPlane™

Efficient consumption of enhanced business value



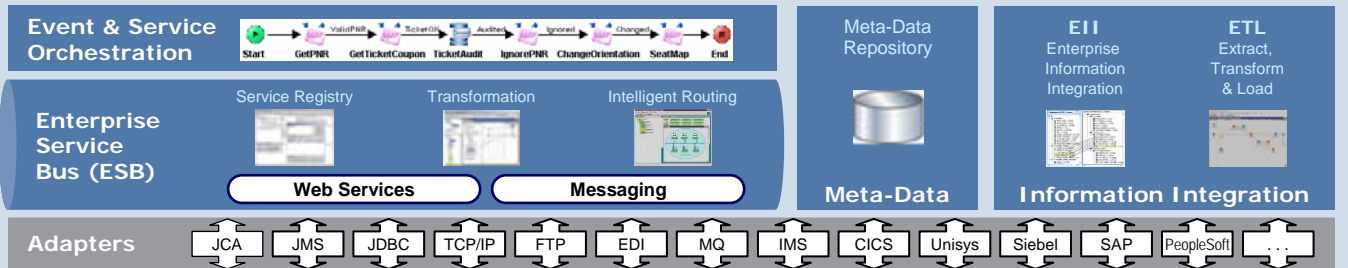
CrossPlane™

Packaging, enhancing and controlling business value



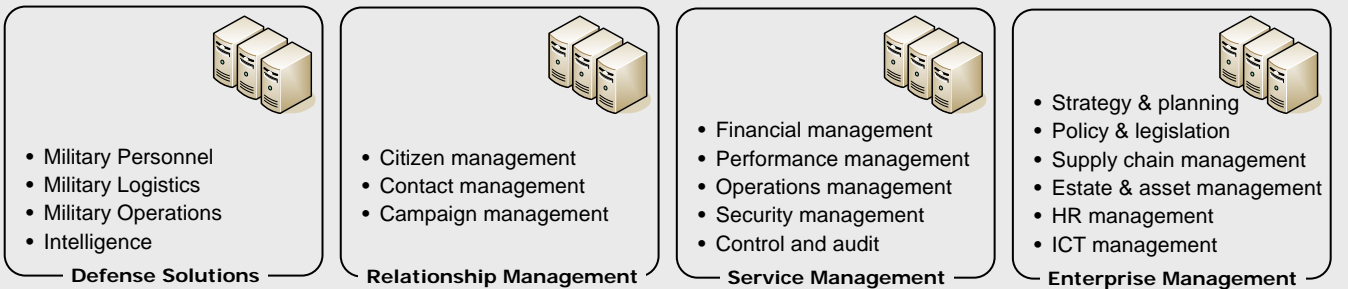
BackPlane™

Revealing, correlating, and leveraging business value



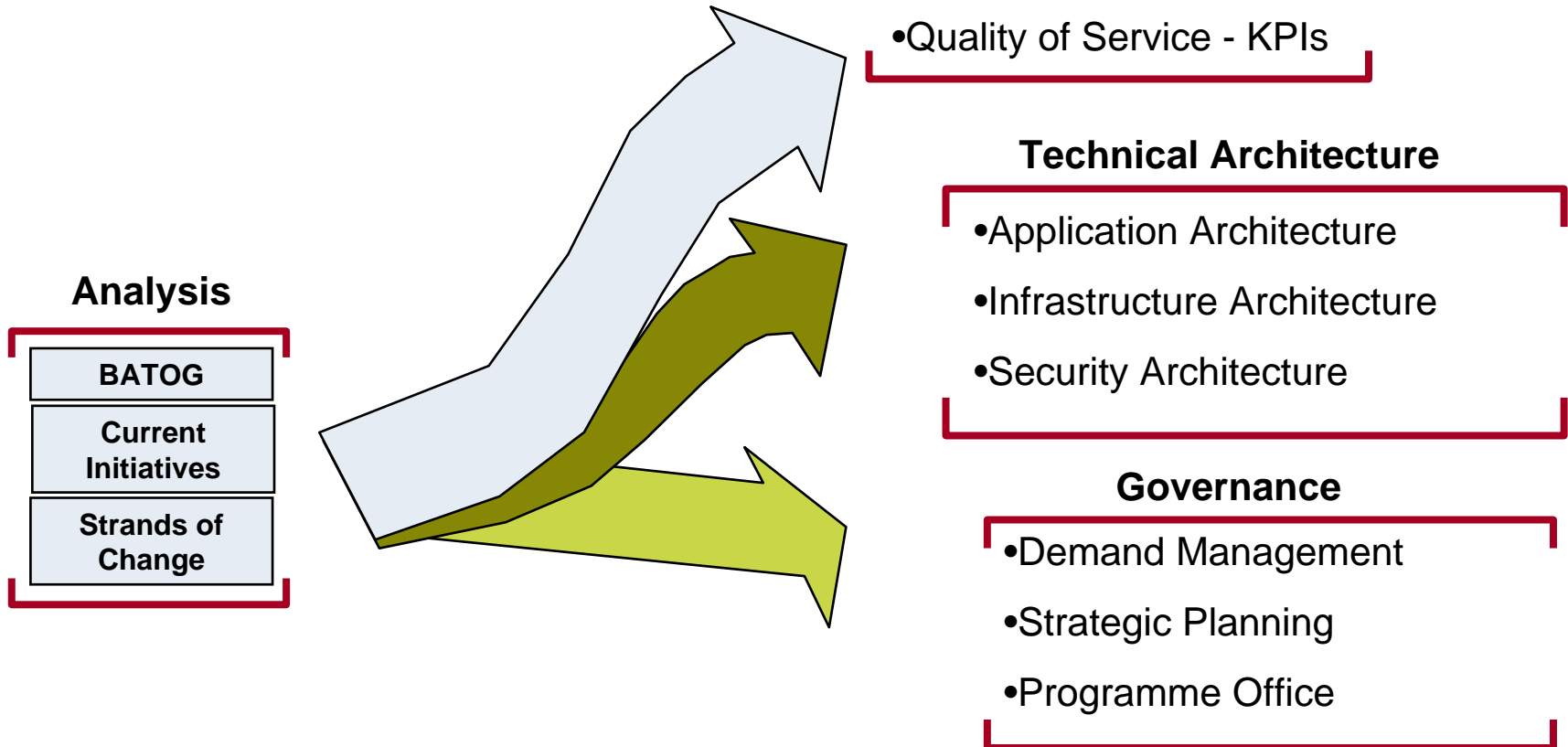
Applications

Business service specific data and tools



Summary of IT Strategy Structure

IT Strategies take many forms, but provide the same basic information.



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Any Questions?

Service management organizations move beyond Process and Service Catalogues to develop Service Strategies

- Service Strategies could take many forms, but follow the same principles as all other corporate strategies:
 - Multiyear outlooks
 - Close integration with other corporate strategies (Business, Sales, IT etc.)
 - Organized and prioritized in terms of adherence to corporate goals
 - Measurable in terms of business benefit
 - Quantifiable in terms of Value delivered to key stakeholders
 - Results are given the proper delivery mechanisms and governance
 - Customer centric

Motivation

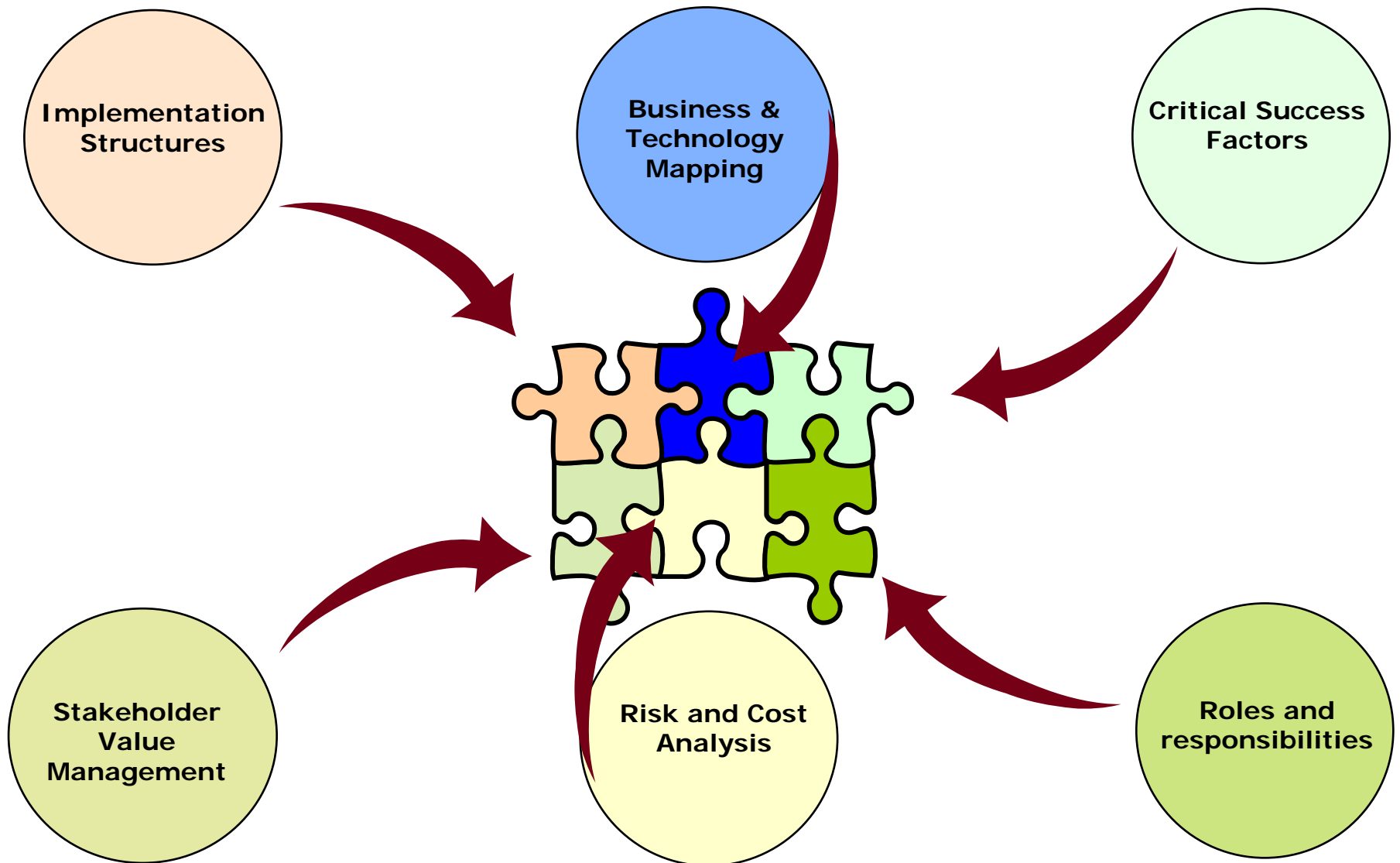
- Move beyond a service catalogue
- Understand and demonstrate value to key stakeholders
- Prioritise and align service delivery with business benefits
- Shift paradigm from operational efficiency to delivery of value
- Enable IT to influence strategic agendas as a equal partner



Results

- Clear understanding stakeholder requirements (price, risk, constraints)
- Ability to express Service Delivery in terms of value delivered to customers
- Alignment with the overall business outcomes vision and strategy

Service Strategy Jigsaw?



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An IT Strategy Maturity Model

- **Future: IT Lead Competitive differentiation**

- IT has mastered collaboration with business
- IT service delivery is able to express strategic goals in business terms
- IT able to take tech trends and translate to shape strategic objectives
- IT is able to give advantage over competitors with new capabilities

- **Increasingly: IT aligned with business**

- IT collaborates with business
- Close integration of Business and IT Strategy
- IT able to add value to the business

- **Historically: IT as Supplier**

- IT focuses on data and efficiency issues
- Short term (less than 1 Year) outlooks
- IT managers typically stay out of business issues and priorities
- IT reacts to business demands

Closing the Strategy Cycle

Business Strategy

- Sets overall vision, goals and direction
- Aligns business wide change



Increasing Strategic Value

Service Strategy

- Identifies how Service delivers stakeholder value
- Identifies new Strategic Value Propositions

IT Strategy

- Sets IT Project direction
- Sets Architectural Vision

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