

Workbook

STRATEGIC PLANNING

Turning Ideas Into Action

TRANSFORM THE CONCEPTS OF BUSINESS TECHNOLOGY INVESTMENTS INTO A QUANTIFIED STRATEGIC PLAN THAT PRODUCES VALUE FOR THE ENTERPRISE.

BY FAISAL HOQUE

Using business technology to accelerate operational performance requires informed decision-making to determine which technologies best support an organization's strategic position. Enterprises often find that making the right technology investments is not enough to develop desired levels of leanness or agility. The following guidelines detail how to analyze and shift investments among technology portfolios to strike a balance between those that deliver stability and those that support agility.

STEP 1: Review your company's strategic position, as well as your business strategy and IT strategy formulation activities. Are marketplace and competitive analyses part of these activities? Is the role of business technology prominent in these analyses? Is strategic experimentation used to enable a better understanding of the roles served by business technology investment in acquiring and sustaining favorable market positions?

STEP 2: Determine how IT and business technology investments are handled in your company's strategic planning and budgeting activities. To what extent do investment levels across operating units reflect the role that business technology actually serves in enabling strategic positions? To what extent do investment levels across staff or support units reflect the role business technology serves in enabling these units to accomplish their mission? Are the baselines for such analyses founded on historical trends, industry benchmarks or carefully selected (that is, strategically and operationally comparable) peer groups?

BUSINESS TECHNOLOGY ENABLERS

EXPLOITATIVE

- IT infrastructure and data architecture improvements to enhance response time and data accuracy
- Supplier-managed inventory e-business solutions
- Enterprise application integration and workflow solutions

STEP 3: Assess the existence and maturity of business technology management capabilities across the enterprise. Which technology capabilities—given the role that business technology serves in enabling your firm's strategic posture—must be maintained at world-class levels? Has sufficient investment in business technology management capabilities occurred at an enterprise level and within each business unit?

EXPLORATIVE

- Internet-based marketing and acquisition site
- Comprehensive customer data capture and analysis
- Powerful analytical modeling capability using databases linking internal and external customer data
- Sophisticated pricing and campaign management systems

STEP 4: Evaluate your enterprise's organizational synchronization. Are your business strategy and strategic position well communicated and clearly understood across the organization? Are your enterprise's business strategies reflective of exploitative strategic actions, exploratory strategic actions or both? What roles do your business technology investments play in enabling these strategic actions?

BUSINESS CAPABILITIES

STABILITY

- Deepen supplier relationships to maximize order fill rates
- Maximize internal process efficiency in resolving customer issues

STEP 5: Develop an appropriate mix of the kinds of business technologies needed to advance your firm's strategic agenda. Technology—and investments in new technology—will become a significant tool for the enterprise's executive tea.

AGILITY

- Acquire new network marketing representatives efficiently
- Effectively monitor customer wants and needs and incorporate into product development
- Adjust pricing continuously and rapidly based on real-time market conditions

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