

5 TIPS FOR A BETTER IT STRATEGIC PLAN



If you are reading this article, I'm willing to bet that you have just read your organizations previous strategic plan and are looking for some tips. Many of us have been through strategic planning processes that felt good in the beginning but became just another document that sits on the shelf. I'm a firm believer that in order for a strategic plan to be meaningful, it must also be relevant and have a direct tie to daily operations. Most importantly It must be executed not just created. My favorite quote on execution that applies to strategic planning comes from the Harvard Business Review

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Execution is the result of thousands of decisions made every day by employees acting according to the information they have and their own self-interest¹

In other words, if the daily decisions of your employees do not align with the strategic plan it will never be successful. This article contains a few suggestions for making sure your strategic plan is a useful tool that guides your operations.

Consider a Strategic Direction

What is the difference between a Strategic Plan and a Strategic Direction? The answer is, decision making. Strategy by its very definition involves an overall picture of the situation. It is general guidance and should not be prescriptive. If your strategic plan has a list of goals you hope to achieve and then a defined list of projects that align with those goals from the very beginning, you haven't put together a strategic plan. You have put together a project portfolio. Many organizations confuse strategic plan with project/portfolio plan. To get past this mental barrier, consider using the term strategic direction. This helps senior leaders conceptualize what you are trying to accomplish. It also encourages the team writing the strategic direction to stay "out of the weeds." The responsibility of developing "plans" then falls to the lower levels of the organization. Not only does this provide room for innovation, it lets the departmental managers feel like they are a part of the overall organizational goals.

Be Strategic, but Operational

So many strategic plans out there are incredibly generic. Things like "increase shareholder value" or "invest more in research" seem to be included as a goal in every strategic plan. While we certainly strive to achieve these goals, they are very obscure. They don't guide decision making. A strategic plan should be a tool that can be used to help the organization. A tool that doesn't get used is a waste of time and resources. If you want your strategic plan to make a difference in your organization, it needs to be usable. Consider these example strategic plan goals:

Example 1:

Increase student enrollment by 10% by increasing the number of distance education programs offered by our institution.

Why it Works:

It tells everyone in the institution that they need to be spending time building online programs. It guides professional development activities. It guides IT purchases. It guides facility decisions. It also guides faculty who are developing courses. It lets department chairs create plans for which programs should be converted to an online format.

Example 2:

Decrease time to market by 10% through a 20% expansion of research and development.

Why it Works:

Everyone knows that decreasing time to market is a goal. They also have a target for how much they need to reduce time to market. The research team knows they are getting a 20% expansion. More importantly they know it's ONLY 20%. HR knows they need to process more transactions, and what the reason for the increase is.

These two goals share a common theme: **They allow people to make decisions in alignment with the goal without making decisions for them**

Be Tangible

The strategic plan needs to be something tangible. Each strategic plan goal should have specific measurements that are easily understood. Defining measurable, tangible outcomes for your strategic plan should be one of your highest priorities. Leave as little room for ambiguity as possible here.

Many leaders are hesitant to document specific outcomes out of a fear of failure. Instead have the conversation ahead of time with the board. Establish a clear understanding of how they will hold you accountable to the strategic plan goals you set. More importantly, establish what benefits you, and your staff receive as a result of meeting (or exceeding) the goals. In other words, negotiate positive and negative reinforcement up front. If your team's headcount goes down by one if you miss a goal, but everyone gets a 5% raise for meeting a goal, I guarantee you that your team will move mountains to save their peer and put some extra money in their pocket.

Your Focus Needs more Focus²

This is by far one of the most relevant business quotes I have ever heard in a movie. In the 2010 movie *The Karate Kid*, Jackie Chan is telling a young Jaden Smith that he needs to focus. Even though Jaden claims to be focusing on his skills he isn't. This is exactly what happens in so many strategic plans, especially in large organizations. Many strategic plans are written at such a high level and have such a large number of goals that they are almost describing what the business does. We have operations guides and standard operating procedures to cover that. A strategic plan needs focus. The best plans have fewer than 5 goals that really provide focus for the organization. Narrow down the focus, not broaden it.

Reporting is Part of the Plan

Part of the strategic plan should include when you will provide status reports and what those status reports will contain. The reason we do this is to ensure that the plan is operationalized. If the board is expecting a report on the strategic plan, senior leaders will have to provide it. This means the plan gets reviewed on a regular basis and hopefully becomes a regular part of how you do business. I recommend quarterly reports on the strategic plan. Waiting a year to report (as many plans do) give everyone the opportunity to forget about the plan. If you can't get agreement to report out quarterly, settle for bi-annually, but no less frequent.