

# Strategic Planning Processes for Information Technology

Craig D. Haydamack

## Introduction

Intel's Information Technology organization recently developed and implemented a new strategic planning process to support a common vision and direction across the organization, and to improve alignment with the business units it enables. Strategic planning processes are one of the most important processes in any organization, as they directly integrate to or indirectly influence every other process, role, and measurement.

In developing and implementing this new process, the Intel IT Strategic Planning team learned a number of important principles which are detailed in this article. Other organizations may find the lessons learned to be a useful reference as they drive their own strategic planning initiatives.

## Conceptual Model of the Strategic Planning Process

The following model summarizes the major phases of Intel IT's strategic planning and management processes.



Figure 1: Overview of Intel IT's Strategic Planning Process

1. The process begins with a "Vision" phase where senior leadership develops the long-range vision and mission statements. This material and the supporting "story" are delivered to the organization in an annual leadership summit which brings together the top managers and leaders of the organization to communicate the direction and focus areas for the upcoming year. Information from the prior year's planning cycle is leveraged to develop the vision and mission.
2. The next phase focuses on the development of the long-range business and technology outlook for the organization. During this phase, the team reviews the corporate business strategies, technology trends, employee trends, etc. to better understand the future environment that will shape the IT organization and its deliverables. This information is reviewed, discussed and debated in a two-day leadership meeting that includes both IT and business unit representatives, and the output is a set of long-range strategic directions (or imperatives) for the organization. The strategic directions effectively provide more detailed, tangible goals that describe the "vision" of success.
3. Step 3 of the process involves a current state analysis across all of IT's systems, processes, investments, etc. and compares them with the long-range outlook of the business to identify gaps and recommend adjustments to IT's focus areas and spending plans.

4. Step 4 is the development of next year's priorities, roadmaps, and budget & investment plan. The budgeting process references the data from steps 1-3.

5. Once the annual budget is approved, the information from steps 1-4 is used to guide the governance process and the many decisions made across the organization to implement the strategic plan and one-year strategic objectives. These decisions include project chartering, supplier selection, sourcing, investment trade-offs decisions, etc.

6. The final phase is the measurement process. The results of the strategic planning process, organizational objectives, and investment plans must be reflected in the organization's actions and balanced scorecard to ensure a closed loop.

All of the information and lessons from the process are then fed into the next year's cycle as the vision, mission and annual objectives are updated and communicated to the organization the following January.

## Key Lessons

The following summarizes the key lessons from the development of the process and its first year in operation.

### 1. Define the Integration Points to the Governance Processes

To be effective, Strategic Planning processes must have clear, well-defined integration points with the budgeting, governance and decision making processes within the organization. It is within these processes that the strategic plan directions move from concept to reality. Decision makers must understand the strategic directions, and their decisions must be consistent with their intent. Without a strong governance/decision making process, the organization is at risk of localized, sub-optimized decisions, and the strategic plan will not come to fruition.

### 2. Define and Manage Your Data

The data which flows through the strategic planning process is likely a mixture of vision, mission and objective statements, environmental scans, analysis packages, benchmarking data, industry studies, scenario forecasts, etc. It is important that the deliverables (data) for each step of the process are clearly defined from the start. This will help to focus the process & working teams, avoid wasted efforts, and ensure the right data is developed for effective decision-making. It will also allow for effective change control and expectations management, as there will likely be adjustments and refinements in the data as the team moves through the process. It is also important that the team has a data management plan which will effectively store the information for future reference, balancing data security with accessibility for authorized personnel.

The data definition is also helpful for managing stakeholders and building support. It demonstrates and focuses stakeholders on the expected output of the processes, and reduces the perception that the "process is bureaucracy."

### 3. Defining and Publicizing the Calendar

Most large organizations have multiple levels of planning occurring simultaneously. It is important to overlay the planning calendar on the process and publicize it, so different levels of the organization can adjust & integrate their planning activities appropriately. Ideally, the different levels of planning are "staged" so that the lower levels follow immediately after the higher-level

activities, and utilize the same data for guidance.

#### 4. Role Definition

Like any well-managed process, it is important to clearly define the roles associated with each step of the strategic planning process to make it credible and effective. In our experience, the primary roles fell into three buckets:

**Core Team** (Business Process Managers): The core team is responsible for defining, communicating, facilitating and improving the process through each cycle. They also provide supporting functions, such as event planning, marketing & communications, and the data storage & management.

**Subject Matter Experts:** These are the individuals that develop the data, analysis and ideas that are utilized through the process. In our experience, it is best to have a broad, virtual team from across the organization participating in this process to ensure the output is challenged and supported from a number of different perspectives.

**Decision Makers:** This group is responsible for reviewing, discussing, debating the strategic planning data, and setting directions for the organization. It is best to clearly define the decision makers as early as possible to avoid organizational conflicts later on.

#### 5. Water-falling the Message

It is very important that the strategic planning messages and the story (data) behind them is effectively transferred to the middle and first line managers of the organization, so they can educate their employees, build roadmaps, set objectives, etc. Intel IT's strategic planning team developed a list of ~600 key leaders, managers, and planners, who received the strategic planning materials, had access to the supporting data and were expected to waterfall the messages down through the organization. This list represented ~12% of the organization.

#### 6. Measuring the Strategic Planning Process

The Intel IT Strategic Planning team developed a three-tiered scorecard to measure the process effectiveness.

##### **Tier 1: Basic deliverables**

The team outlined its key deliverables and schedule for the year, and measured its performance in meeting those expectations

##### **Tier 2: Influence**

The team set expectations & measures for communicating and educating the organization on the strategic planning messages at each step of the process.

##### **Tier 3: Impact**

The team defined specific areas it wanted to directly impact because of the strategic planning work, the primary one being the budget for the upcoming year. For the strategic planning process to be effective, roadmaps, budgets and decisions must adjust and reflect the strategic direction of the organization. As a check and balance, the Finance organization compared last year's actual spending with the budget allocations for the upcoming year to ensure the changes were consistent with the new strategic directions for the organization.

## 7. Managing Expectations

There are likely many different ideas and opinions about the strategic direction of your organization. It is very important to identify and communicate with the key subject matter experts and influencers throughout the process. This will enable the core team to manage expectations, gather additional inputs, test iterations, and build support for the final delivery.

### **Closing**

An effective strategic planning process is critical to the long-term success and health of an organization. It provides a clear and credible direction for the organization, and supports consistent decision-making at all levels of the business. Combining business process management principles with effective data management and communication approaches are important to developing and implementing an effective process. Each organization must adapt its strategic planning process and approach to fit its own culture and leadership style, but the basic concepts and learnings outlined above apply to most organizations and can provide a reference point during development of a new planning system.

For more information on Intel's Information Technology organization and its initiatives, please visit [www.intel.com/IT](http://www.intel.com/IT).

For additional information on Intel's Information Technology organization, please review its [2007 Annual Performance Report](#)

---

### **Author**

Craig D. Haydamack is Director of Strategy & Benchmarking at Intel Information Technology in Hillsboro, Oregon. He can be contacted at 971-215-9656 or [craig.d.haydamack@intel.com](mailto:craig.d.haydamack@intel.com).