

Strategic Alignment

Getting the Best Out of Your IT
Resource

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Overview

- Background
 - Business View of IT?
- Why Does IT Cost So Much
- Strategic Alignment
 - Aligning IT Resources for Business Success

Points to Ponder

- The Business View of IT
 - Too expensive –
 - best is 10 times more cost effective
 - Best are 3 times average
 - Never delivers –
 - delays, delays and problems
 - Not focussed –
 - more interested in PC spec than business
 - Value for money –
 - no contribution to competitive position
 - Not in support of business strategy –
 - expensive black art
- Top staff productivity 5 times average
 - Below average – negative contribution

Cost Drivers

● Hardware

- Capacity, leasing, age, supplier, T&Cs

● Software

- Supplier, T&Cs, Policy

● Premises

- Location

● Processes

- Disciplines, tools, facilities

Cost Drivers

..... And, of course, people

- Locale

- On-shore, off-shore
- London, South Wales ...

- Salary Policy

- Pay & rations
- Seniority
- Perks

- Focus.....

Focus

What would it be worth if everyday, every minute, everyone was working on what the business wants and needs?

Focus

- Could you manage better if you knew:
 - What everyone is doing?
 - Whether the activity is necessary?
 - How well it is done?
 - How much it costs?

Focus

.... And if you:

- could see your complete capability and capacity?
- understood the demand on your resources?
- could model and quickly adapt to the changes in resource demand?

Focus

Would life be better if you knew that:

- All activity is necessary and valuable in the pursuit of declared objectives
- Unnecessary and unproductive activity has been eliminated
- Non-core activity has been specifically identified
- Core activity has been inspected, checked for completeness and optimised
- All activity is subject to a low overhead regime of measurement, management and continuous improvement.

What's Needed

1. A strategic plan that is fully and demonstrably in support of the business objectives and that everyone in the organisation understands and is committed to.
2. A simple and effective measurement system that monitors progress against plan.

What's Typical

Every strategic or operational plan is either put on a shelf until the next review and the organisation returns to "business as usual"

or

a management bureaucracy is established to drive the plan but typically only drains enthusiasm, impacts operational efficiency and slows change.

Strategic Alignment

The Strategic Plan



The Metrics

- Must be very simple to use
- Must record time against every activity.
- Must have multiple layers of access
 - Individual activities
 - Milestone management
- Difficult to flaunt the system
- Should align with budgets
 - Budgeting/Planning often part of a separate cycles
- Real Time/Near Time

And finally

● Why plan?

The nicest thing about not planning is that failure comes as a complete surprise, rather than being preceded by a period of worry and depression.

(Sir John Harvey-Jones)

Questions and Comments?

Strategy Planning

- A consciously intended course of action made in advance of the actions to which it applies and often stated explicitly in formal documents known as plans.
- A specific manoeuvre intended to outwit an opponent or competitor.
- Annual Report – it is management's best guess as to what opportunities and threats will arise over the planning period and the actions that will be undertaken in response.