

Strategic IT Planning and Management Guide

Envision the journey, set a course to the future, and navigate in dynamic business and technology environments

The purpose of this guide is to assist State HS IT staff in migrating from older to newer technologies. The documentation is a logical, step-by-step progression from planning to implementation to monitoring and mid-course adjustment. The basic premise is that a good Strategic Plan and management will help ensure the success of the HS IT projects.

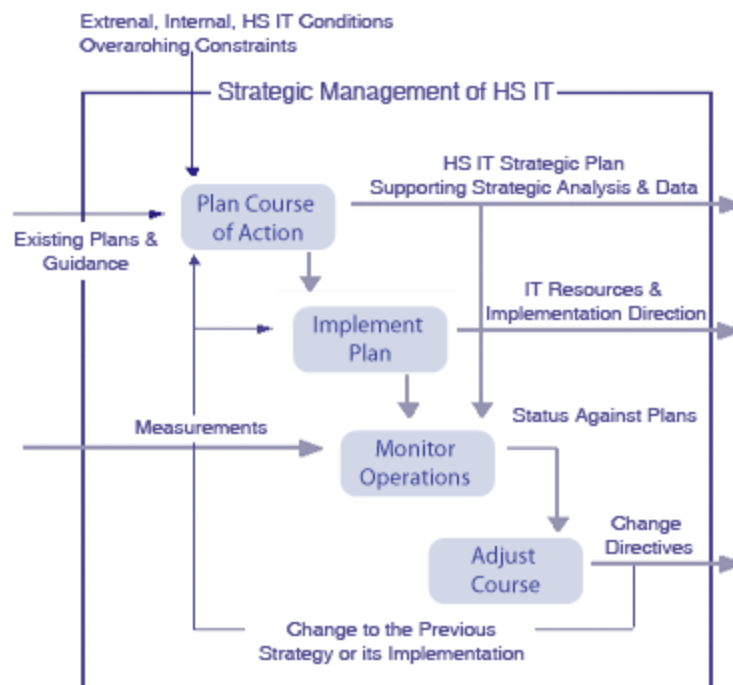
By following these steps, you will create a Strategic Plan that aligns IT Division responsibilities, obligations, and technology decisions with the goals of the HS Agency. The Strategic Plan then will serve as the basis for making decisions about an appropriate Technical Architecture and the IT projects.

The [HS IT manager](#) works in a dynamic environment of multiple HS programs, each with stakeholders and users with specific and sometimes contradictory needs. [Stakeholders](#) and users can include case managers, HS Agency administrators, the State [CIO](#), the State legislature, and Federal Agencies that fund programs and related information systems. While each State organizes and manages HS programs in unique ways, there are common elements involved in planning for and implementing IT projects that are the subject of this guide.

This guide is written for staff with responsibility for strategic planning and implementation of IT projects. Issues included in the guide reflect common HS Agency concerns, including Federal rules and requirements. This provides all the principles, steps, and strategies that are applicable to IT Divisions; however, the IT Division can customize these to meet their individual needs. To customize guidance check information contained in the [Application of the IT Planning and Management Guides](#).

[Strategic IT Planning and Management Background](#) - Key principles and concepts upon which the Strategic IT Planning and Management processes are based is described in this background material.

Processes - This guide defines the key activities, artifacts, and roles that are necessary to create and manage the HS IT Strategic Plan. The top-level processes are shown below in the management figure and described in the following text.



- **Plan the Course of Action** - These steps establish the strategic planning project and create the HS IT Strategic Plan.
 - **Strategic Planning Management and Foundation** - These activities establish a Strategic Plan and oversight process that shapes and guides the IT strategic planning process.
 - **Establish Strategic Management Team** - This activity establishes the roles for those that will have key responsibilities to perform the strategic planning activities.
 - **Establish Strategic Foundations** - This activity establishes the IT Division's mission, vision, and guiding principles and align with other supported organizations.
 - **Establish Overarching Strategic Management Plan** - This activity establishes the Strategy Project Plan to communicate and coordinate strategic planning activities and results.
 - **Analyze the Situation** - These activities establish an understanding of the environments in which the IT organization exists.
 - **Scan HS Agency External Environment** - This activity identifies and analyzes the conditions outside the HS Agency that might require it to adapt or change its course in some way
 - **Scan HS Agency Internal Environment** - This activity identifies and analyzes the conditions within the HS Agency that might require it to adapt or change its course in some way
 - **Scan IT Division Environment** - These activities identify and analyze the world inside the HS IT Division and its relationship to the entities within the HS Agency.
 - **Formulate IT Strategic Direction** - These activities establish the IT Division's goals and subgoals; identify the critical factors and the objective measures that indicate progress.

- **Identify Goals and Sub-goals** - These activity identifies the most important accomplishments and the measurable steps to achieving them
- **Identify Critical Factors** - This activity identifies the factors that are critical for achieving the IT Division's vision
- **Identify Measures** - These activities create the measurement system to evaluate progress against the goals.

- **Identify IT Initiatives** - These activities establish the highest-level organizational initiatives to achieve the goals
 - **Define Ongoing Initiatives** - This activity Reviews the existing initiatives and adjusts them to meet the IT goals.
 - **Define New Initiatives** - This activity established the new initiatives for the IT Division.

- **Consolidate and Publish Plan** - These activities prioritize the initiatives and consolidate them in a strategic IT Plan.
 - **Prioritize Initiatives** - This activity determines which initiatives are most critical to the IT Division's goals
 - **Coordinate and Publish** - This activity formally document the strategic plan and publishes the IT Divisions strategic plan

- **Implement The Strategic Plan** - These steps allocate resources and delegate authorities and responsibilities to achieve the plan.
- **Monitor Operations** - These steps monitor strategic indicators for performance against the HS IT Strategic Plan.
- **Adjust Course** - These steps make mid-course adjustments to the HS IT Strategic Plan and its implementation. Significant changes will require the execution of the Plan Course of Action section.

Strategic IT Planning and Management Resources - A consolidated set of items that can be used to implement the activities defined in this guide are listed in the consolidated resources.

Strategic IT Planning and Management Background

Characteristics of Strategic Planning

- [Strategic Versus Tactical Planning](#)
- [Organizational Levels of Strategic Planning](#)
- [The Product of Strategic Planning](#)

Alignment

- [Strategies Are Linked Hierarchically](#)
- [Two-Way and Complex Linkages](#)
- [Beyond the Hierarchy](#)
- [Availability of Strategic Requirements](#)

Applying Strategic Planning in the IT Organizational Context

- [The Overarching Issue](#)
- [Addressing the Issue](#)

The [Strategic IT Planning and Management](#) guide describes a customizable process that can be used to help position the IT organization to better serve the overall HS Agency's mission. Key principles and concepts upon which the process is based are described in this background. The first portion reviews the overall characteristics of strategic planning. The second portion investigates the central concept of alignment. Lastly, the interpretation of strategic planning within the context of the State HS Agency IT organization is reviewed.

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Characteristics of Strategic Planning

In essence, [strategic planning](#) means clarifying an organization's main purpose, aligning its priorities and resources with that purpose, and identifying how to judge success in fulfilling that purpose. The strategic planning process therefore leads to the definition of the IT organization's mission, the formulation of IT-specific [goals](#), and the development of actions that will be implemented to meet those goals.

Strategic planning can be conducted in anticipation of, or in reaction to change outside or inside the HS Agency (the external and internal [environments](#), respectively). Change in the world outside the HS Agency can be triggered by changes in regulations or funding, the need to be in compliance with statutes, or in preparation for growth. Changes inside the HS Agency may be triggered by a redefinition of roles and responsibilities, a change in administration and program priorities, or policy and other requirement changes. The planning process itself and the strategies that result impact the whole IT organization and its relationships with other organizations within and external to the HS Agency.

Four elements are basic to any strategic planning process:

- Deals with an enterprise's interaction with its environments, necessitating a thorough and complete understanding of the entities in that environment, and the nature of the interactions.
- Addresses the allocation of significant resources, such as large amounts of capital, labor, and [capacity](#).
- Concentrates on long-term issues; however, increasingly, strategic planning also concentrates on short-term issues that have long-term consequence
- Becomes the primary responsibility of middle-to-top-level management and executive decision makers; however, the planning process engages decision makers at all levels.

In State agencies, strategic planning is typically supported by a group that includes HS Agency-level executives having influence over key HS Agency-level decisions and responsibility for the HS Agency's general direction and key results. In the process framework, the IT strategic planning activities are performed by the [Strategy Team](#), in close cooperation with the [HS Agency Decision Makers](#) and [IT Decision Makers](#).

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Strategic Versus Tactical Planning

Through strategic planning, managers establish the general view of their organization's purpose, courses of action, and allocations of resources. To implement the Strategic Plan, managers tactically plan, focusing on short-term decisions and actions, including budgeting and operational improvement. Tactical planning deals with the HS Agency's internal capability and capacity to perform and addresses resource allocation in a more detailed way concentrating on short-term decisions concerning what to do, who will do it, and how it will be done.

This level of planning is the primary responsibility of first-line or higher-level management depending on the scope of the area being managed. Strategic planning typically addresses subjective risk and uncertainty, tactical planning typically addresses risk and uncertainty that is more objective. Strategic planning is done primarily to ensure overall mission success and organizational survival; tactical planning is done primarily as a means of implementing the Strategic Plan.

Detailed tactical planning and oversight is done by the activities described in the [Planning and Managing the Technical Evolution](#) Guide.

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Organizational Levels of Strategic Planning

Organizations develop multiple levels of strategy. These are aligned toward the same basic desired results:

- **Enterprise-level plan** -- This level consists of the following two sub levels, the second of which supports the first:

1. The commonly used business term for this level is the "corporate" level. Within



the context of the [Strategic IT Planning and Management Guide](#), this is the State executive branch. The executive branch level guides the activities of the State agencies and influences the pattern of resource allocation *across* the agencies.

2. The commonly used business term for this level is the "line of business" or "business-unit" level. This management level directs the operations and performance of a single organization that provides a particular product or service, develops responses to changing environmental conditions, and controls the pattern of resource allocation *within* that product/service area. Within the context of this guide, this is the State HS Agency.
- **Functional-level plan** -- This level of planning fleshes out strategy as it applies to a specific functional area. Within the context of the process framework, this is the State HS Agency program context, such as the TANF program. This management level creates guidelines for managing each area, determines how each area will contribute to the Enterprise-level goals and strategies, and initiates plans to support successful execution of strategy.
 - **Program-and-control-level plan** -- This level of planning is responsible for developing detailed plans for carrying out the day-to-day requirements of the higher-level plans. These are the [IT Evolution Plan](#) and individual [project](#) plans. The It Evolution Plan coordinates the interdependencies between all the IT-related activities, such as projects to build new application systems or migrate portions of existing application systems. Projects are the lowest-level organizational concept, responsible for specific, IT-related development, deployment, or operation goals.

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The Product of Strategic Planning

A Strategic Plan should be viewed as an evolving tool a guide to help in developing other plans and in allocating resources. The Strategic Plan should be scrutinized and updated as often as necessary to stay current with changing circumstances that impact the IT Division's main purpose in some way. It should be a well-articulated and doable definition of the steps necessary to accomplish the IT vision, portraying a realistic "road map" for reaching that vision.

Strategic plans must bring about the desired results--they represent the means to an end, not the end itself. Effective strategic planning helps managers to assess and mitigate uncertainty and risk. It stimulates new ideas, entrepreneurship, and novel approaches. Ineffective planning emphasizes routine activities and short-term solutions to immediate problems.

A Strategic Plan should describe the essential elements of the IT organization from the IT organization's perspective, including the following:

- Mission (purpose, duty)
- Vision (desired future state)
- Guiding principles (shared values)
- Significant goals (long-term objectives)
- General strategies and policies
- Client base (target population) and their needs
- Product/service mix (offerings such as immunization, child-care)
- Value created for clients by the organization

- Program portfolio (initiatives such as well babies, welfare-to-work)
- "What if" scenarios, risk profiles, and financial stability

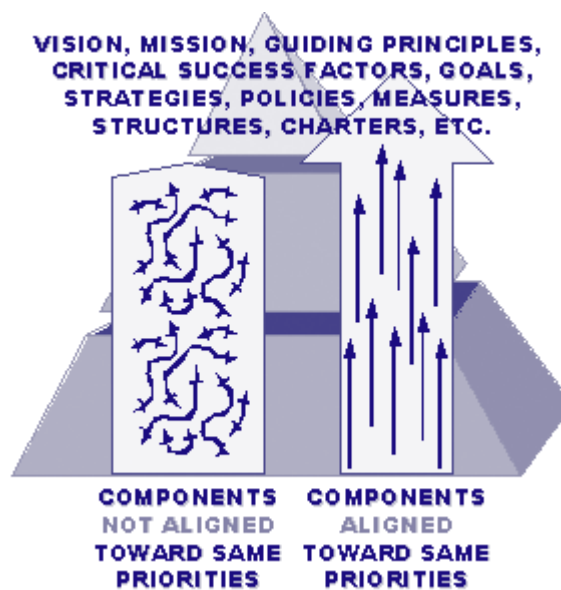
Additional items that can be provide included or referenced as the basis of the above components includes:

- Client access, service levels, and utilization history
- Legal mandates, pending legislation, compliance requirements, and implications of government restructuring
- Identify the broad [stakeholder](#) base
- Organizational fit (such as correlation, alignment)
- Executive, managerial, or staff capabilities and commitment
- Program benefits, risks, major tasks, timeframes, responsibilities, and charts for monitoring progress
- Interorganizational cooperation (alliance) and competition (rivalry) for resources
- Funding mechanisms and schedules
- Key internal/external communication and dependencies
- Facilities and sites
- Support services
- Knowledge and information management systems
- Critical linkages

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Alignment

The performance of any *system* is a function of how well its parts fit and work together--that is, how well they are *aligned*. Likewise, the HS Agency and its constituent elements can be viewed of as a complex system. If the HS Agency wants to succeed in meeting its purpose in an effective and efficient way, all its major components should be aimed toward the same targets. This means that decision makers throughout all organizational levels should prioritize their allocations of resources and efforts based on a clear understanding of a consistent HS Agency-wide strategy. This strategy begins with the IT Division's understanding of how its [vision](#), [mission](#), [guiding principles](#), [critical success factors](#), [goals](#), and [strategies](#) fit with those of other parts of the HS Agency.

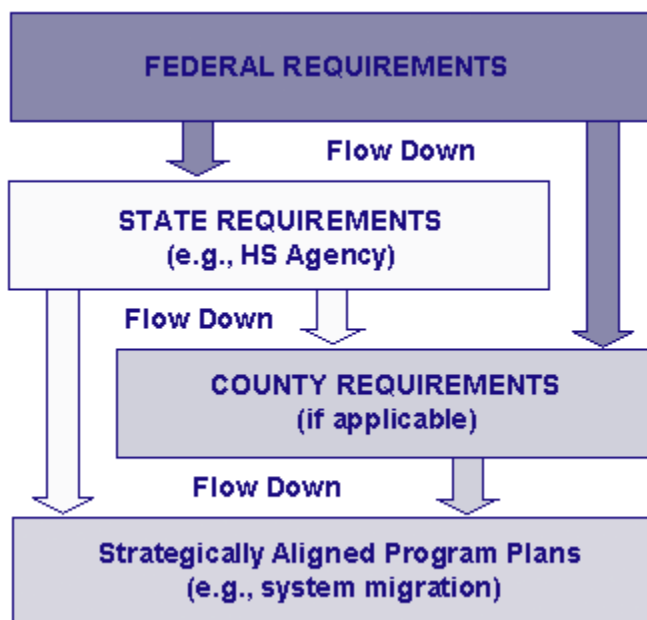


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Strategies Are Linked Hierarchically

As the organization's basic statement of purpose, scope, and goals, the Strategic Plan shapes the organization. In a hierarchy of organizations, the organization at the top shapes the essential purpose, scope, and objectives for each of the organizations beneath it. Thus, Strategic Plans are hierarchically linked, each one addressing the set of requirements delegated to it by the organization(s) above. The hierarchy assumed by the guides is in the [Roles](#) Model.

The graphic illustrates such hierarchical relationships in the public sector. IT Evolution Plans and the projects they coordinate need to align with the requirements of the State Agencies they support (and/or county agencies, as appropriate). Likewise, State (and county) HS Agency plans need to be in line with Federal mandates and budgets. Requirements at each of the levels range from, for example, statutes, executive orders, court decrees, regulations, policies, strategic and tactical plans, budgets, and standards. At the State level they can include, as appropriate, Strategic Plans for the State-wide IT department, for the State HS Agency, for other State agencies, and for the State HS IT Division. All of the organizations' plans should be pointed toward the same general objectives.



Thus, to clearly understand the strategic requirements of the IT Division, first one must understand the strategic imperatives of the State IT Division of which it may be a part. To understand the roles and responsibilities of the HS IT Division, one must clarify the requirements that flow down from higher-level organizations. In some states, counties provide the IT support to HS Agencies, adding an additional organizational layer to consider.

Without understanding the context and the drivers of HS Agency business needs, small technology-related decisions can add up to large misdirection of technological resources and to results having little to do with the highest priority objectives of HS Agencies.

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Two-Way and Complex Linkages

In addition to requirements being passed down the hierarchy of organizations, important information that affects those requirements also gets passed up the hierarchy. In this way, the higher-level organizations can stay apprised of what is happening "on the ground," track progress against expectations, and adjust their plans as needed. Acknowledging and incorporating such feedback enable plans to remain current and valuable.

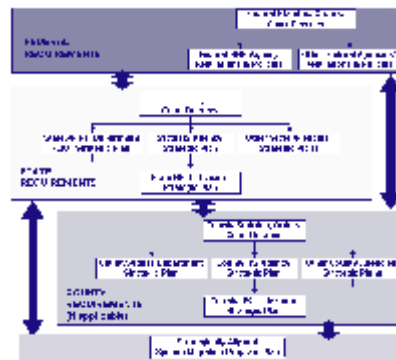
An organization sometimes has multiple parent organizations. For instance, an IT

Division might report both to the state's HS Agency and to a State-wide IT department. In such a case, the child support organization must resolve and incorporate oftentimes disparate requirements into its Strategic Plan.

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Beyond the Hierarchy

Also, an organization must incorporate requirements that are posed by other entities (noted in the as Environment), for example, its own set of clients, service providers, employees, partner organizations, rival organizations, and regulating organizations (see the [Roles](#)). These specific entities may or may not be the same set with which the parent organization deals. Furthermore, external forces, such as political, economic, legal, technological, and social change, can significantly impact what an organization should incorporate into its Strategic Plan.



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Availability of Strategic Requirements

In a perfect world, consistent Strategic Plans are prepared at the HS Agency level and the IT Division level. At times, however, the higher-level plans are unavailable, ambiguous, outdated, or do not focus on strategic priorities. The processes for Strategic Management of HS IT describe the planning activities, information artifacts, and roles that are essential to implementing a strategically aligned Program. In situations where the higher-level Strategic Plans are not manifest, then assumptions on the types of inputs will have to be made. Feedback from the lower-level plans can be used to provide information to seed the higher-level plans.

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Applying Strategic Planning in the IT Organizational Context

The Overarching Issue

The overarching issue that must be addressed is:

How to evolve information systems and technology to best meet the State's HS responsibilities?

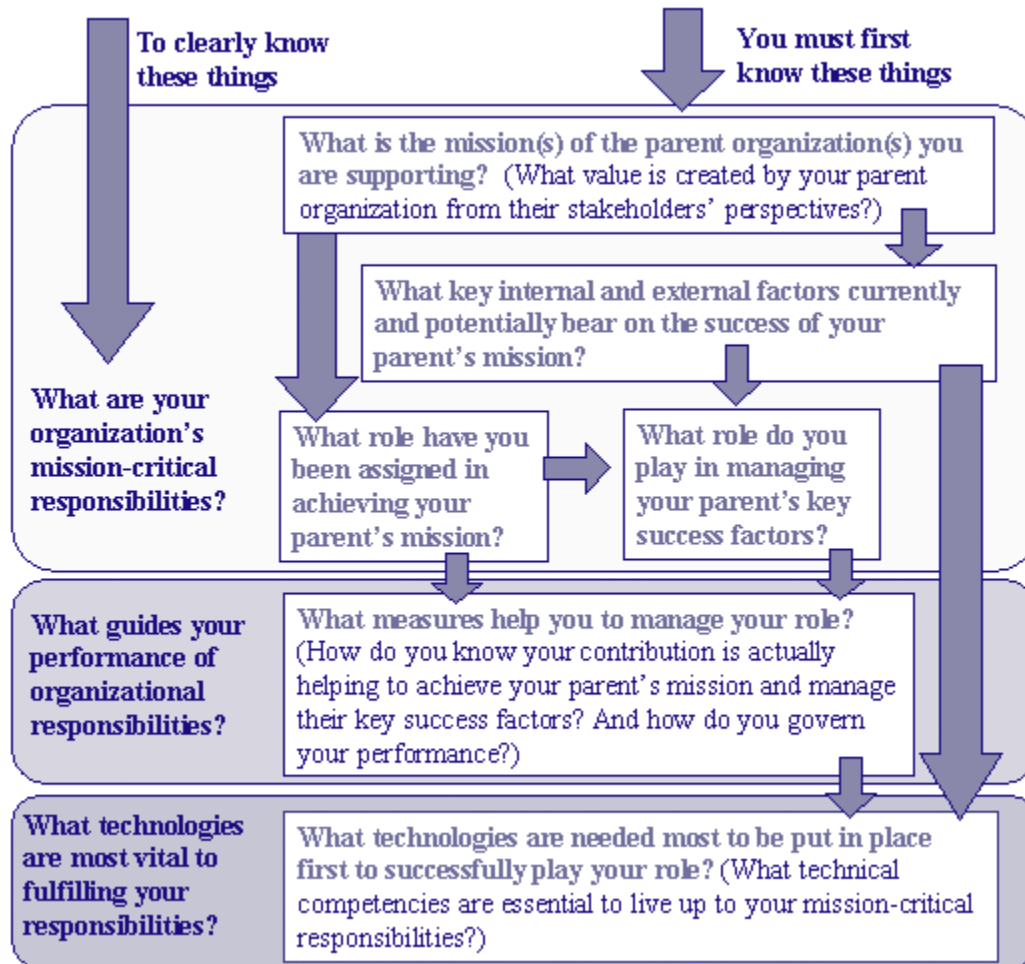
However, this question might be better restated as:

“How to *align* the IT Evolution plans with the HS Agency's [strategy](#)?”

Or simply:

“What technologies are *needed most* to be put in place *first*?”

The concept behind the approach is shown in the [issues diagram](#).



To answer this question, organizations must first clearly define three things:

1. What are the organization's mission-critical responsibilities?
2. What guides the performance of organizational responsibilities?
3. What technologies are most vital to fulfilling these responsibilities?

The challenge is that, to define the above parameters, you must first answer another set of questions:

1. What are the organization's most basic roles and corresponding set of responsibilities? In particular:
 - What is the mission of the parent organization and of other organizations that the IT organization supports? In essence, what value do these organizations create from *their* stakeholders' perspectives?
 - What factors, both internal and external, are critical to the success of these parent or support organizations, both now and in the foreseeable future?
 - What roles has the IT organization been assigned by the parent organization to help achieve these missions and manage these critical success factors?
 - What factors are critical to the success of the IT organization in

performing its roles?

2. What [performance measures](#) help to manage the IT organization's roles? That is to say, how exactly would one know whether the IT organization is meeting its responsibilities? It is necessary to gauge the degree to which the IT organization is actually contributing toward the success of the higher-level organizations (e.g., HS Agency and/or TANF). Measures will establish the means to regulate the IT Organization's performance.
3. What technologies are *needed most* to be put in place *first to successfully play the roles assigned to IT*? Specifically, what technical [competencies](#) are essential for the IT organization to manage its own critical success factors and live up to its responsibilities?

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Addressing the Issues

Strategic Management of the HS Agency's IT results in the preparation and use of the [HS IT Strategic Plan](#). That plan is the means to align the HS IT Division responsibilities, obligations, and technology decisions with those of the HS Agency. The plan establishes a basis for the Technical Architecture and IT program-specific plans, such that they respond to HS Agency-wide needs. This enables the HS IT Division to fully support the mission of the State HS Agency. For additional perspective on the many environments of interest and the entities involved, also see the [consolidated roles](#) discussion.

The IT Planning and Management Guides therefore assume a broad context; that is, the IT Division may be responsible for technology decisions for one or more programs within the State HS Agency internal environment, as well as special relationships with others outside this context (such as other service providers). The descriptions in the guides are written to address this overarching context: the State HS Agency concerns.

The strategic planning process can lead to a deep understanding of the IT Division and its role in helping achieve HS Agency objectives. It is critical to have the appropriate individuals associated with this exploration and be able to build consensus in the chosen direction. Strategic management may touch many parts of the HS Agency, not only the IT Division, but all stakeholders. For this reason, key teams are defined to help ensure buy-in and establish the conviction to formulate and implement the strategy. These are the [Strategy Team](#), and the ultimate co-owners of the strategy, the [IT Decision Makers](#), and the [HS Agency Decision Makers](#). The activities defined in this guide are highly dependent on their commitment and leadership.

Plan the Course of Action

Align the IT plans with the HS Agency's goals, determining what technologies are needed most to be put in place first.

Overview

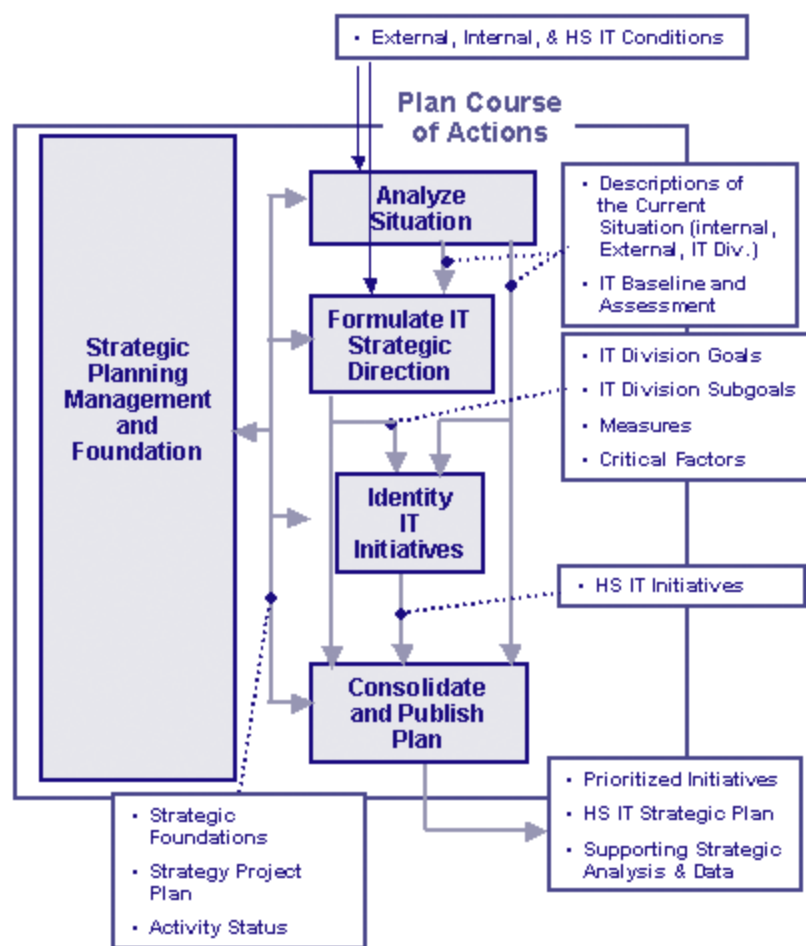
- [Figure: Strategic Planning Process](#)

Activities

- [Establish Strategic Planning Foundation](#)
- [Analyze the Situation](#)
- [Formulate IT Strategic Direction](#)
- [Identify IT Initiatives](#)
- [Consolidate and Publish Plan](#)

Overview

Planning serves as a catalyst to initiate organizational as well as technological change. Following the key steps will produce an [HS IT Division Strategic Plan](#), aligned with the overall HS Agency plans and goals based on a thorough understanding of the HS Agency's external and internal environment. [Strategy Team](#) has responsibility for conducting these activities, with the [HS Agency Decision Makers](#) and [IT Decision Makers](#) having oversight and ultimate ownership of the plan. The makeup of the Strategy Team is critical to the success of this process.



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Activities

Planning involves the following key steps:

1. **Establish the Strategic Planning Foundation.** These activities establish a Strategic Plan and oversight process that shapes and guides the IT strategic planning process. A [strategy project](#) plan is established, defining key roles and responsibilities, identifying appropriate individuals to fill those roles, and providing the necessary executive leadership and resources for the project. The strategic planning activities are planned and tracked to ensure that they produce a meaningful HS IT Strategic Plan within the needed timeframe. During these activities, the key stakeholders agree on the preliminary strategic foundations, which include the IT Division's mission, vision, and guiding principles. This understanding provides the scope for the IT strategic planning activities, keeping the Strategy Team focused and results-oriented. As the strategic planning process is executed and the understanding of the situation and IT needs is refined, these strategic foundations may be adjusted.
2. **Analyze the Situation.** These activities establish an understanding of three interacting environments: the world outside the HS Agency, the world inside the HS Agency, and the HS IT Division. This analysis forms the basic context for the other HS IT strategic planning activities by helping the Strategy Team, the HS Agency,

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and IT Decision Makers understand the current conditions, and trends in each one of these environments. As a result of this analysis, other programs and process requirements outside the IT Division's responsibilities may be identified, such as integrating multiple HS Agency needs (e.g., TANF and child care, transportation, or employment services).

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3. **[Formulate IT Strategic Direction.](#)** These activities describe the process for extending the [Strategic Foundations](#) to a level of detail more specific to the IT Division. These activities consider the HS Agency's and the IT Division's vision, mission, and guiding principles as the starting point. The objective is to establish more specific and measurable targets that can assist in moving the IT Division to the desired future state.

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4. **[Identify IT Initiatives.](#)** These activities establish the highest-level organization of actions to achieve the goals. Existing initiatives are re-examined to determine whether they align with the IT Division's strategic direction. Summary descriptions of the existing and future initiatives are produced.

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5. **[Consolidate and Publish Plan.](#)** The Strategy Team prioritizes each initiative and identifies the initiatives they deem most critical to the IT Division's goals. Based on the information compiled during the previous planning activities, the Strategy Team completes the Strategic Plan. The Strategy Team circulates the Strategic Plan among key stakeholders (IT Division Decision Makers and HS Agency Decision Makers). Once the key stakeholders' comments have been incorporated into the IT Division's Strategic Plan, the Strategy Team initiates the implementation, increases awareness of the plan, and promotes commitment throughout all levels of the organization.

Strategic Planning Management and Foundation

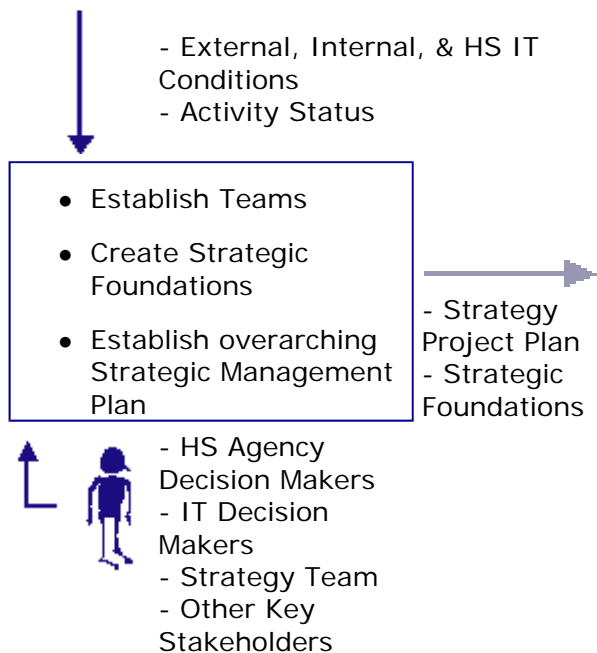
Form the strategy project teams, clarify the underlying purpose of the IT Division, and plan and execute the project.

[Introduction](#)

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[Roles and Responsibilities](#)

[Artifacts](#)



Introduction

The IT Division will use strategic planning to produce fundamental decisions and actions that shape and guide the IT Division. The activities to develop the HS IT Strategic Plan are formally managed as for any other project. A [strategy project](#) is established, defining key roles and responsibilities, identifying appropriate individuals to fill those roles, and providing the necessary executive leadership and resources for the project. The strategic planning activities are planned and tracked to ensure that they produce a meaningful HS IT Strategic Plan within the needed timeframe.

In addition to establishing a disciplined strategic planning and oversight process, the key stakeholders will agree on the strategic foundations: the mission, vision, and guiding principles for the IT Division. This understanding provides the context for the IT strategic planning activities, keeping the teams focused and results-oriented. As the strategic planning process is executed and the understanding of the situation and IT needs is refined, these strategic foundations may be adjusted.

The following section can show examples for application of this information for the HS Agency you choose.

TANF Example: When identifying members of the Strategy Team it is important to include the front-line staff (associated IT staff, eligibility workers and case managers). Because they are “in-tune” with the existing systems and programs that serve clients, they serve as a good resource to identify the strengths and weaknesses of the IT systems and processes.

When establishing the foundations for strategic planning, the Strategy Team

determines the IT Division's preliminary vision, mission and guiding principles. Prior to doing this activity, the Strategy Team reviews existing State plans as well as any waivers, which provide detailed information on commitments to Federal Agencies.

CSE Example: When identifying members of the Strategy Team it is important to insure that all significant groups of stakeholders are represented and that their input is received. To develop a strong strategic planning document and concept, the Strategy Team must be composed of a blend of program staff and IT staff. Those individuals that utilize the systems on a daily basis and understand the capabilities of the systems are critical members of the Strategy Team. Included in the team should be case managers, CSE managers, IT support personnel, with acute familiarity of the CSE IT application.

Establishing the foundations for strategic planning, the Strategy Team determines the IT Division's preliminary vision, mission, and guiding principles. This process will focus the future technology for the CSE organization on meeting the needs of the workers, clients, and reporting requirements.

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Activities

These activities establish the project context for the IT strategic planning activities. The organizational structures, roles, and responsibilities of key participants are defined first. The underlying strategic foundations, the mission, vision, and guiding principles, are then established. Finally, an overarching plan is created and approved. This plan provides direction and tracks progress of the members of the Strategy Team as they conduct detailed analysis and build the HS IT Strategic Plan.

The following main activities are performed:

1. [Establish Strategy Team](#) - Those that will perform the IT strategic planning activities are identified and assigned. Relationships between the Strategy Team and the other key stakeholders (e.g., HS [Agency Decision Makers](#) and [IT Decision Makers](#)) are established.
2. [Establish Strategic Foundations](#) - Executive leadership establishes the overall purpose of the IT Division and aligns the strategic foundation (i.e., mission, vision, and guiding principles) with the HS Agency. This initial understanding is used to provide the context for the strategic planning activities.
3. [Establish Overarching Strategic Management Plan](#) - The Strategy Team establishes the project plan so that activities can be tracked and target dates can be met.

As these activities are performed, you should collect and analyze lessons learned and provide them as feedback to improve the planning and execution of the strategic planning activities.

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Roles and Responsibilities

The key roles and their responsibilities are as follows:

- [Agency Decision Makers](#) - They establish the Strategy Team by assigning the team

