Introduction

This paper presents an initial insight in best practice with level for strategic Information Systems Technology (IST) activity within business. This paper should be read in conjunction with ‘Strategic Information Systems Knowledge – SISP’.

Discussion

Clearly, Strategic Information Systems Planning (SISP) has been a major concern of academic and practitioners for many years. However, as Galliers (1991) argued, organisations:

‘…do not adequately plan their information systems…what is more, they experience difficulty in implementing their plans once they have been formulated.” Galliers (1991: 55)

Although so much importance is placed on SISP by authors such as Earl (1993 and 1996), Galliers (1987 and 1991), Doherty et al (1999) and Ward and Peppard (2002) and others, the domain still remains problematic and complex. In fact, over the last twenty years this domain has undergone a general evolution from a structured formal planning focus of SISP in the early days to a more recent focus on flexible SISP approaches.

The importance of SISP is well understood as it ensures there is: alignment between business and IST activity, IST can be used to exploit competitive advantage, IST capabilities are managed efficiently and effectively, and these capabilities are developed within the evolving IST architecture and infrastructure (Earl, 1993). To achieve these targets Galliers (1991) extensively argued for organisations to adopt a variety of formal, structured SISP approaches which evolve as their IST capability evolves. However, as the IST strategy domain developed over the years, a shift in SISP focus started to appear. The early signs of this shift were highlighted in the work of Earl (1993 and 1996) where Earl conceptualised the most appropriate model for SISP by focusing on the need to overcome three major concerns of:

- Process – Issues such as SISP ownership and business justification.
- Method – The techniques, tools and techniques employed during SISP.
- Implementation – The delivery of the documented strategy.

Earl (1993 and 1996) concluded that the most appropriate approach to SISP would not be formal and structured but would in fact be flexible and adaptive in nature so that the continuous changes inside and outside the organisation can be managed. In reaching this conclusion Earl (1996) proposed five models of SISP (business, technological, administrative, method and organisational – see ‘Strategic Information Systems Knowledge – SISP’ for more detail). The business, technological, administrative and method models fall into the formal, structured category whilst the organisational model clearly reflects a more flexible and incremental approach. Earl (ibid) therefore argued that SISP should not be a formal top-down process but should originate from the grass-roots of the organisation. Furthermore, Doherty et al (1999) also proposed that an organisational approach to SISP would be more appropriate ensuring collective learning, the solving of business problems by the IST department and that the IST department is integrated into the business areas. Ciborra et al (1994) and Ward and Griffith (1996) also supported this theme arguing that there is an over-emphasis of formal planning (Ciborra, 1994) and too much focus on the rational aspects of SISP (Ward and Griffith, 1996). Finally, this general evolution form structured to flexible has been more recently documented by Ward and Peppard (2002):

As far as recommending an approach to IS/IT strategy formulation, this book supports a mixture of the formal and informal. Formal techniques are used if the requirements demand that all appropriate elements of the business are explored in a structured
manner, and the business drivers are applied to achieve prioritisation within a consolidated program of business IS initiatives. But, informal techniques are also included to capture innovative ideas where they arise in the business, both during the initial strategy process and thereafter

Ward and Peppard (2002: 153)

Ward and Peppards’ (2002) model of SISP represents the need to integrate business and IST planning within one fluid process by acknowledging internal and external business and IST issues. Additionally Earl’ (1996) and Doherty et al (1999) emphasis on the organisational model of SISP also represents the need to integrate both business and IST activity. This point is further supported by Galliers (1991) who argued for a move from isolated planning to a more integrated proactive planning process within organisations. Furthermore, Salmela et al (2000) undertook detailed action-based research into the levels of SISP comprehensiveness. In his research Salmela declared two categories of SISP:

Comprehensive - Plans are complicated and highly integrated with the overall strategy. Formal, multiple environmental analysis is undertaken leading to formal decision-making and the use of formal written plans. Periodic reviews are conducted to determine changing circumstances.

Incremental - Plans are simple and loosely integrated with the overall strategy. The organisation operates as independent planning groups and personal experience is crucial in developing the plans. This planning is based on informal networks of individuals and the sharing of interpretations. IST plans are continuously reviewed.

In their work, Salmela et al (ibid) assumed that due to the ongoing evolution of the IST domain towards SISP flexibility, then the most utilised approach would be incremental. However, Salmela’s (ibid) research highlights that the comprehensive planning approach is more likely to be adopted within organisations by incorporating a number of techniques and tools such as environmental analysis and risk assessment. The success of comprehensive planning relies on many factors including ensuring organisational commitment and resource availability, providing comprehensive analysis and involving many people from around the organisation.

"Because the rate of technology change is so rapid...most people see IT through a narrow lense of short-term...IT actually benefits most from a long-term disciplined strategic view." Field and Stoddard (2004: 75)

Although insightful, Salmela’s (2000), Parnell’s (2003), and Field and Stoddard (2004) research clearly position themselves opposite to the general evolution of the IST SISP domain.

In terms of strategic practice, it is evident from many organisations that there are many differences between the prescribed orthodoxy in the IST literature and the actual events which unfold within organisations. The empirical practice clearly strengthens the importance of formal planning within the SISP processes. This practice therefore contributes to the ongoing debate about SISP comprehensiveness. There is an important relationship between formal structured planning and more incremental planning activities, and their level of integration. By acknowledging the elements of time, process, context and multiple levels of activity, practice reveals that organisations actually undertake a combination of both formal structured SISP activities and also more incremental SISP in conjunction. The formal structured planning activities unfold on an annual basis by reviewing and setting the ongoing IST and business strategic agenda, whilst a more incremental approach to planning unfolds throughout the year.
as new initiatives are commenced and integrated into the unfolding IST strategy. The commitment to formalised structured planning by many senior executives supports the general conclusions made by Salmela (2000), Parnell (2003), and Field and Stoddard (2004) in that formalised SISP is critical for organisations devising IST initiatives.

In many organisations, the importance placed on conducting formal structured planning on an annual basis illustrates the critical nature of this activity in enabling structure and cohesion across the IST strategy. In fact this annual activity allows senior executives to determine the high-level strategic intents, resolve major issues, determine resource availability and integrate new strategic initiatives whilst providing a framework to enable other strategic initiatives and ongoing strategic activity to unfold throughout the year. Additionally, this activity also enables the consolidation of strategic themes and objectives and the enabling of long-term IST architecture and infrastructure decisions. This activity also allows for the production of strategic documentation so that the unfolding IST strategy can be diffused around the organisation whilst controlling the actual strategic activity.

In most cases formal annual strategic review activities (both IST and business) take precedence for a number of months each year. It is during this formal strategic reviews where issues of strategic capacity are debated and resolved. As the portfolio of IST initiatives is determined, the high-level resource constraints are set for the following period of strategic activity – i.e. the organisations’ capacity to develop strategic initiatives. However, this formal activity is supplemented by more informal initiative-based SISP activity. Importantly, this activity is not necessarily concerned with the high-level resource, strategic intent and investment issues, but is concerned with the actual dynamics of the specific IST initiative being devised and developed. At this level of activity the main SISP targets cover more explicit issues such as initiative resource management, initiative justification, initiative objectives, timelines and deliverables. Importantly however, there is a possibility that during the year new strategic ideas will become apparent which are seen to add great strategic value to the business but would require investment in order to implement them. Although many organisations include an element of slack in their capacity, this is generally for issues such as scope creep or initiative problems. In order to commence the new initiative the determined strategic capacity would require adjustment and therefore resources would be redirected from already approved initiatives. In this sense, the strategic capacity of the organisation has the potential to restrict strategic options and intent as this capacity is finite, meaning that certain initiatives would have to be sacrificed. This is the second key finding of this research.

Importantly, the strategic practice illustrates a different adoption of SISP models within organisations. Across many organisations the preferred SISP model for the annual strategic review is a combination of the business and technology models and not the prescribed organisational model. Clearly the use of these models emphasises the need of the organisations to accommodate both business and IST imperatives/issues as the individual business and IST planning phases unfold. These two models are fairly rigid in nature allowing for structure and cohesion as the annual strategic reviews unfold. However, during the actual commencement and development of initiatives, the organisational SISP model is adopted to accommodate change and flexibility as required.

In summary, the strategic practice within organisations argues for the need to utilise both comprehensive and incremental approaches to SISP, with each adding to the overall development and implementation of the IST strategic initiatives.
References


