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CIO Corner

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Strategic Planning in Today's IT Environment

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Today's organizations are complex systems in which the interactions among various processes, structures, and functions—sales, finance, products and service developments and distribution, manufacturing, materials, support, and maintenance—must be managed such that the results meet a shared goal of delivering maximum value to customers at an optimum price.

What's at Stake

In the current, relatively unstable economy—which is both highly competitive and dynamic—effective management of IT is essential for any firm's success because it improves the firm's strategic value. IT managers, by structuring an improved flow of information, add product value and help their firms respond to client demands more quickly. However, to accomplish these tasks effectively, managers must have complete and up-to-date knowledge of the IT operations within their organizations.

Many leading firms may not fully recognize the importance that IT has in keeping them moving forward, and issues remain about the extent to which management must change to accommodate variations in the economy. How can they be assured that their management decisions are optimal relative to limiting expense and maximizing profit? Management decisions not only impact product and delivery values, but they also might restrict innovation, limit expansion into new ar-

reas, or diminish organizational flexibility or responsiveness to change.

There appears to be a continuing struggle in industry today about how to manage information systems or IT in general, and it has carried on for decades. The bottom line is how to find management styles and approaches that lead an organization to success in its market area.

Markers of Success

One of the known keys to success is to build within the organization an understanding of IT and an appreciation of what it can accomplish. This essentially says that to successfully manage IT operations, a culture must be created that works with employees and management teams to ensure that they have the means by which they can become innovators and high achievers. Empowering employees without diluting the authority of middle managers is where you find success, but even here, you need the middle management elements to understand your objective and to buy into your culture.

Embracing the new 21st-century information-age empowerment model is a must. Training is a must. Building the proper knowledge base to make appropriate decisions is a must. But unfortunately, many of today's organizations continue to operate in silos: individual departments have the power to make decisions for meeting their own IT needs, but they don't coordinate across other departments, nor do they feel they should, thus creating bottlenecks.

Organizations that use centralized architectures to control information system operations fail to realize in time that they must bend to the new culture or the result will be delays, an inability to respond to change, and limitations on introducing new innovations. Individual departments such as marketing, engineering, or human resources tend to act independently, without sharing information or ideas either in support of strategic planning across an enterprise or even to serve tactical client needs. Consequently, the enterprise as a whole suffers. What can be done? Offer an alternative system for application development or initiate trust in your employees' abilities and confidence in their knowledge. Build a better understanding of why information-sharing is so important to your business. Identify what causes internal information-sharing to shut down. Establish a shared knowledge of how your system of systems can work together to ensure that information flows across the boundaries and silos currently in place. Information must flow across these silos, or the organization will fail. This translates into a change in culture—the true evolution of a firm using a jointly developed strategic plan, a vision, a mission, and defined, measurable goals upon which everyone can agree. Organizations must work as a whole entity, not a distribution of independent parts.

In this Issue


This issue of *IT Professional* offers some help. Five excellent articles provide insight into potential tools for learning and improving management skills. We start with Edward Hong's article, "Information Technology Strategic Planning," which gives an overview of how to formulate a working strategic plan for managing an IT network. Manas Sahoo carries this theme forward in his article, "IT Innovations: Evaluate, Strategize, and Invest," by describing how to review IT trends and make the investment decisions needed to implement change.

In "Professional and Interpersonal Skills for ICT Specialists," Ariadna Liorens-Garcia, Xavier Llinas-Audet, and Ferran Sabate raise some serious concerns in defining the skills needed by both managers and employees involved in IT operations. Their results show the extent to which this area is considered both highly complex as well as dynamic. In "IT and Business Alignment:

The Effect on Productivity and Profitability," Elby Nash takes this a little further by expanding our knowledge on the relationship between IT and business and the firm's overall productivity and profitability.

Finally, Peter Kraynak's "Finding Your True IT Transformation" offers readers his perspective on three critical ingredients for transforming your IT life cycle: strategy, solutions, and implementation.

We hope that in reading these articles, you gain a better appreciation and desire to look into your organization's culture relative to IT operation management and gain new insight into IT's complexity and dynamics and how they affect your business's future success.

IT-related technology is changing more rapidly than ever. Some of these changes have such dramatic cost-saving potential in terms of new product development and operations that it would be irresponsible for businesses not to consider them. To fully realize the benefit of some of these new IT tools and technologies may require reorganization. However, reorganization itself isn't without cost. Companies that embrace change and organize themselves with change to the underlying IT support in mind will be best positioned to succeed. 

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