



# Strategic Systems Integration Planning

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## Strategic Systems Integration Planning

It is critical for any business to have a defined process for Strategic Systems Integration Planning (SSIP). Certainly this criticality increases as the size and complexity of the entity increases, yet an SSIP process is important even for Small and Midsize Enterprises (SME). SMEs, like large enterprises, are looking for competitive and cost advantages, the ability to make better decisions, and improve productivity. Once a SSIP process is in place, the deliverables for implementing and integrating new Information Technology will be easily defined, resourced, and assigned.

Few enterprises have the opportunity to start information systems and business process planning in a “green fields” approach. This is because they are already in operation and have been using some, often ill-defined, approach that is generally driven by an immediate need of the business due to product, market, regulatory, or competitive change. A “green field” start is easier, and if undertaken as part of a complete business plan, it demonstrates that the (future) enterprise management team recognizes the importance of Information Technology (IT), its integration with the needs of the business, and that IT resources will generally need to be applied using a structured methodology. A structured methodology will maximize the potential success of both the IT solutions to be delivered and the business processes that they enable.

Since a “green field” approach is the exception, this white paper will deal with existing enterprises and a proven methodology that may be applied to review the existing level of strategic systems integration within an enterprise. Further, and more importantly, the methodology should be used to develop an appropriate approach for defining, designing/acquiring, and integrating new applications and systems as specific needs are defined by the business.

Why go through this process? Information technology is proven to be one of the largest corporate expenses, no matter what size the company. Furthermore, numerous studies have proven that the ‘timely and meaningful management information based on key performance indicators (KPIs)’ is a critical factor that separates very successful companies. Therefore, top C-level executives take a strategic approach to the design and deployment of information systems to facilitate the achievement of corporate objectives and strategies. The approach we recommend here is not about making IT big, but rather about making it strategic and cost-effective with measurable ROI to the business.

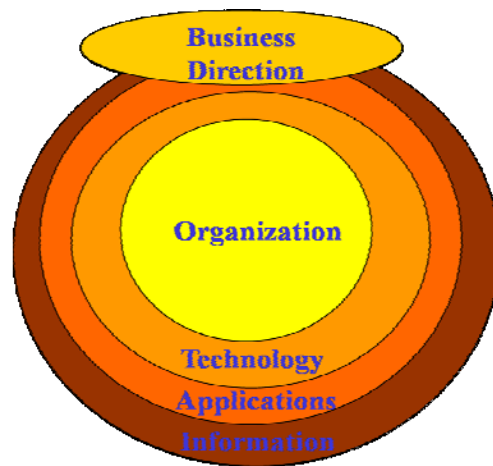
### Methodology

To create a harmonious, enduring marriage between business needs and an cohesive information systems capability require “Strategic Integration Planning” which must focus first on business issues. One must use SSIP to develop an overall business perspective which will include IT, but only as IT can be used to solve a business need. This is not an easy task either for the business leaders or for the IT professionals. It is difficult for business leader to understand the need to define requirements and integrate requested solutions with other systems. Business leaders also frequently struggle with determining the importance of their requested solutions relative to solutions requested by other organizations. However, IT professionals struggle with the need to move from a technology focus to a



customer focus. IT's focus is frequently on the technology of the solution rather than the business' capabilities, competencies, and strategic value of the solutions that have been requested.

When planning is strategic, the information systems solutions contribute more than just simply mechanizing the operations of the organization. The systems become support timely decision making, provide metrics on performance, and contribute directly to the objective of the enterprise.



There is no single pre-boxed solution for all organizations and the methodology can be tailored to match the needs of a specific organization. One should expect that the SSIP solution will vary and the plan results will be highly dependent on the competitive situation and business strategies of the enterprise, as well as, the skills, knowledge, capabilities, engagement, and efforts of the business leaders and the IT leaders. We only distinguish “business” and “IT” leaders due to their function in the organization, this is not to infer that IT leaders are not also leaders of the business. All leaders of all organizations have the fundamental responsibility to insure the enterprise is succeeding in delivering profitability and customer satisfaction.

Some benefits to the business of SSIP are:

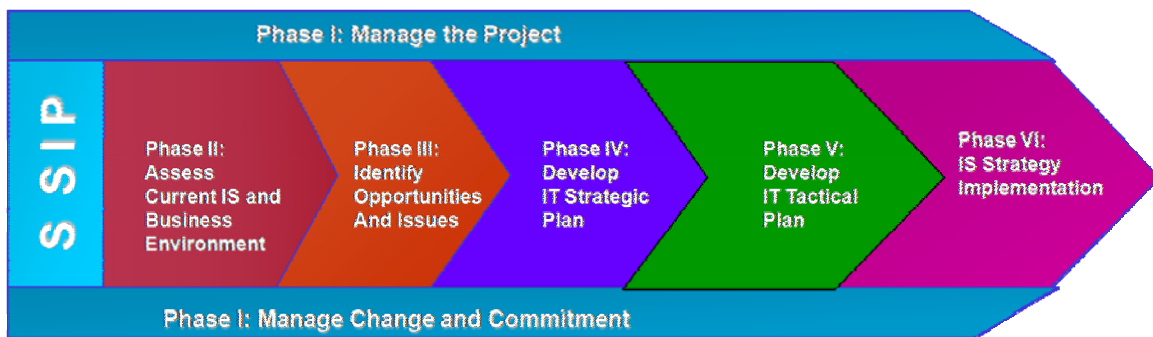
- Formal techniques and tools to assess business needs
- Ability to assure coordinated actions across organizations
- Establish priority of systems and solutions across organizations
- Provide for the allocation of resources
- Assure continuous alignment of IT strategy and business/user needs
- Rapidly identify technology shifts
- Rapidly identify competitive threats and opportunities
- Enable reporting of program and project status/issues



- Facilitates strategic thinking as opposed to tactical responses
- Ability to realize integrated IT solutions demonstrating significant business value
- Changes the focus of IT from technology to customer solution delivery

An initial SSIP methodology should include the following phases with the first being over-arching:

1. **Managing the SSIP Project and Organizational Change**
2. **Assessing the Current IT and Business Environments**
3. **Identifying Opportunities and Issues**
4. **Developing an IT Strategic Plan**
5. **Developing an IT Tactical Plan**



## **Managing the SSIP Project and Organizational Change**

While this is shown as the initial phase, it actually begins the SSIP, continues through the other phases above and, if deployed correctly, continues for the life of the enterprise. At the beginning, this phase will establish the scope, workplans, tracking, and reporting of the program to manage the introduction of SSIP and gain executive-level commitment and support.

It is suggested that a project team be defined for this **SSIP Initiation** phase. This team will be responsible to manage the project, manage the organizational and process changes, and manage the commitment through executive and organizational communications. This should be a combined team of IT and business function representatives who have keen insight into business processes, customers, vendors, etc.



## **Assessing the Current IT and Business Environments**

During this phase the project team will facilitate reviews of both business environment of the enterprise and the current IT environment that is deployed in the enterprise.

It is critical to engage the business leaders to review and establish not only the business environment, but all the business direction, industry trends, competitive situation, and customer segments. Each of these may be assessed individually, but will need to be considered together to assure the environment and desired future states are well understood.

The internal IT environment as it is today needs to be assessed. This includes physical systems architecture and infrastructure, data centers, telecommunications infrastructure, deployed applications, application interfaces, application users, development process, QA and test processes, access security, IT organization and management functions, databases, etc.

Industry trends in IT must be assessed with particular attention to those that could affect the current environment. Competitor's IT solutions should also be considered and assessed.

## **Identifying Opportunities and Issues**

The project team next should assess, and develop where necessary, process models. There are various methodologies to develop process models which include high level views and can progress down to detailed data flow diagrams. The team will need to define the functional areas, functions and process, and inter-process relationships. These models will be used to perform a gap-analysis to identify operational improvement opportunities. Process modeling also helps to assess the maturity level of the enterprise and perhaps identify desired "future states".

This helps to identify IT issues and opportunities where information technology should potentially be used to better support the processes of the enterprise. The results will feed into the development of an IT strategic plan.

## **Developing an IT Strategic Plan**

During this phase an IT strategic direction will be established. The IT strategic plan will include the information architecture, the application architecture, the IT team organizational structure and resources, and the technology strategy. In developing the IT direction one should define the strategic vision and then review and assess strategic options while considering IT's objectives, business priorities, as well as, resource needs and limitations.

The data architecture definition will consider the data service level requirements and the complexities of data storage, backups, restorations, and disaster recovery. Any expected data migration should also be assessed. The proposed application architecture should reconcile with the current application structure and address processing service level requirements. Consideration will need to be paid to application interfaces and any required application migration.



The technology strategy similarly will consider internal and external trends, current and future application and data requirements, and business objectives. Alternatives should be documented and considered. Finally, any recommended technology migration impacts must be assessed and addressed.

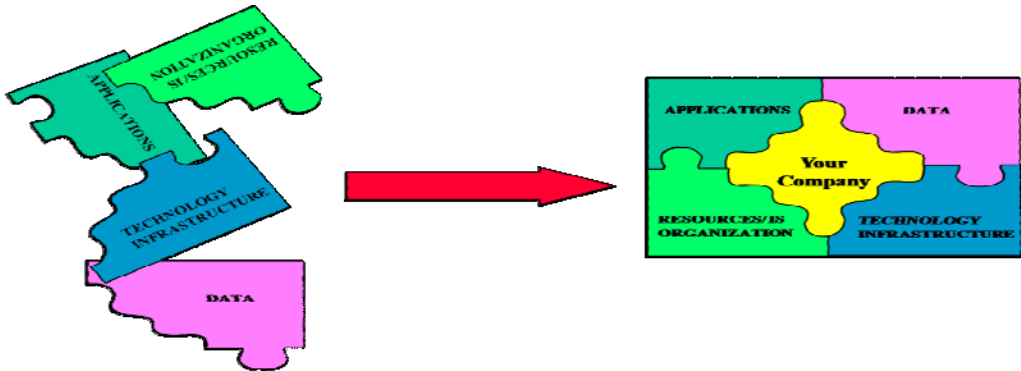
The strategic plan will not be complete without the development of a comprehensive resource plan that is integrated to the overall strategic plan which facilitates the definition of projects, project priorities, and the ability to manage their development and delivery.

**Developing an IT Tactical Plan**

This phase supports the implementation of the IT Strategic Plan. This is where one will consider the potential issues and obstacles which can be either from an IT perspective or the perspective of the business. For example, what is the capacity of the organization to accommodate changes in process and changes in the IT facilities, while continuing to serve customers and operate effectively? What will be the impact of external entities, such as vendors and customers? Will current projects have their deliverables and priorities redefined? Will current project scope or delivery dates be affected? What are the financial trade-offs relative to investment, payback, and improved business processes?

One can then develop an implementation plan which illustrates the overall costs, benefits, impacts, and risks. The plan should show the alternatives to deployment that were considered and provide a schedule for any required development projects and migrations.

*The SSIP Process Will Provide a Framework for the Use of Information Technology to Support Business Goals*



**Additional Information and Assistance**

For more information contact **Business Technology Consulting Group, LLC**

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