IT Strategy Cards

v1.0

IT Strategy Cards®

Congratulations on your purchase of these IT Strategy Cards. These are intended to facilitate your IT strategy design and IT strategy workshops. The card deck is composed of different domains, each containing multiple topics, with one card per topic.

Xperian Strategy Tool

Each purchase also includes free access to our useful online tool (www.strategy-cards.com), which allows the registration of feedback from your workshop participants and consolidates it into a dashboard that is useful for defining your IT strategy.

One card deck allows one person to be configured in the tool; thus, a workshop with, for example, five participants, will require a separate card deck for each person.

Your unique online code Amazon Order #

Subscription

This purchase automatically includes online updates free for one year whenever new cards become available. This can be extended with an annual subscription of which you will be notified when your free one-year subscription is about to expire.

Questions?

For any queries and remarks, please use the online tool.

Approach

Xperian IT Strategy Cards® are developed to facilitate your strategy workshops in a structured and yet practical manner. We recommend a four-step approach for a successful strategy:

1. Preliminary strategy scoping (2 hours)

Participants, often senior IT management, go through all the cards and discuss which of these are relevant for your organisation and will serve as the basis for your strategy workshop. The online tool (www.strategy-cards.com/IT) is configured with the participant names and all selected cards.

2. Strategy workshops (1-2 days)

The selected cards are discussed in order of priority (as indicated by the slider) and per domain (upper right corner). The outcome of each discussion can be entered in the online tool, thereby facilitating the final outcome. Several iterations may be required to arrive at a final strategy.

3. Validation (1 month)

The workshop results are detailed and consolidated in a single IT strategy document; these must be validated by executive management and major stakeholders.

4. Implementation (3-6 months)

You are now all set for implementing your strategy in your organisation, kicking it off with communicating your strategy to all employees and motivating them to engage.

Topic

Explanation of the topic

Each workshop participant must read this section carefully and attempt to determine the relevance of the topic to the organisation or organisation entity. This will serve as a basis for the discussion during the actual strategy workshop.

Participants must come with open minds and various ideas. Opinions will differ and will lead to a sound discussion, bringing views from different angles and perspectives.

Reading and individual reflection could take about 2-3 minutes and is followed by a group discussion on the topic.

Topic

Approach for discussing and formulating answers

This section describes the approach for each topic discussion and provides directions towards potential solutions. The suggested approach and solutions are indicative in the sense that other scenarios or options might be more applicable depending on the context and specifics of your organisation.

Attempt to limit the discussion for each topic to a maximum of 30 minutes and ensure that each participant can express his/her opinion, so encourage short speeches and not monologues. If a topic exceeds 60 minutes, then park it aside for a separate meeting. The priority slider indicates the order in which these topics can be discussed. Remember that this is an iterative exercise and might require several rounds of discussion to finalise the strategy.

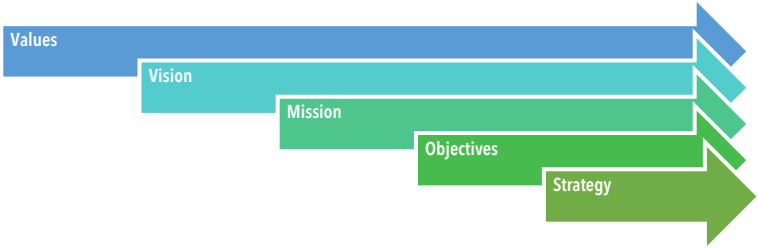
The outcome of this discussion can be registered in the online tool, which visualizes all information and provides you with a useful dashboard to help you to define your final IT strategy. More importantly, the online tool will guide you throughout the strategy process.

Success!

Decision	What decision is expected from discussing this topic?
Deliverable	Recommended deliverables as an outcome from this topic
Owner	Person who owns this card and is in charge of the deliverables
Research	Keywords for optional research
Related cards	Cards that are closely related to this topic

Contents

Contents



The Purpose of an IT Strategy

Not every participant assigned to this exercise will be convinced of the need for establishing an IT strategy. IT management is required to set aside a considerable amount of precious time to this, as it may be considered to be a rather theoretical exercise and 'talk that goes above people's heads'.

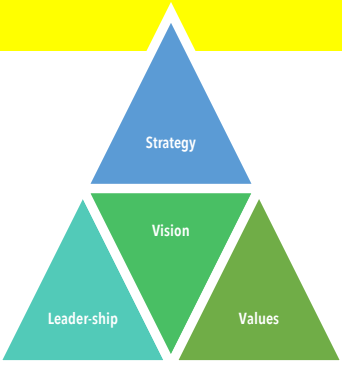
However, as organisations are operating in a VUCA (Volatile, Uncertain, Complex, Ambiguous) world, dealing with globalisation, market disruptions, and the fast pace at which technology evolves, it pushes them to think ahead and constantly adapt or even re-invent themselves or run the risk of becoming obsolete. This creates a need for transforming the traditional IT model into a more flexible and future-oriented IT vision, mission, and strategy.

Companies with a strong IT strategy often find themselves on the forefront when it comes to service innovation and cost control. Forward thinking is essential in order to be prepared for the future, and recognising future challenges and needs will increase the credibility and importance of IT in creating value for the entire organisation. Strategic planning is not a once-a-year exercise but demands re-evaluation and updates at regular intervals for being in sync with a fast-changing reality.

The Purpose of an IT Strategy

1. Begin this strategy workshop by providing some time for the exchange of opinions on the purpose of an IT strategy without attempting to convince one another of your arguments.
2. Examine this topic from different angles and perspectives, depending on your specific situation or role within the organisation. This will help to broaden the discussion on each of the following topics, thereby creating a more diverse view and outcome.
3. Ask yourself the following basic question: What could be the consequences if do we not organise this workshop and do not establish an IT strategy? Can we be successful as an organisation without an up-to-date strategy?
4. Also capture participant's opinions on what topics must, at the minimum, be part of an IT strategy and attempt to commonly set the boundaries of the IT strategy, avoiding this from becoming an excessively extended scope with the risk of not being able to conclude it within a reasonable timeframe.
5. You also might want to address the question on who your stakeholders are, within and external to the IT organisation? Ensure involvement of these stakeholders at regular intervals and keep them updated on your progress and intermediate results.
6. If not the case yet, run through all cards and only select those that are of relevance to your organisation and strategy exercise.

Decision	What are our main reasons for defining an IT strategy?
Deliverable	3-5 objectives for your IT strategy
Owner	CIO, IT manager
Research	Strategy best practices, Strategic management
Related cards	All



Strategic Business IT alignment

Simply put, strategy defines how an organisation succeeds and focuses on how it will achieve its mission and how information and technology can be used to achieve this goal. In addition, in the private sector, it also describes how an enterprise will compete. Ideally, there must only be one strategy: the overall business strategy in which information and technology is centrally positioned.

An IT manager no longer merely reacts to the business strategy, he or she must become part of the business leadership team that creates the overall strategy. An IT manager's job is to ensure that the appropriate expertise is available and utilized and must look for opportunities that technology can provide and the threats that it may create. Many devote significant time and resources to developing strategies, yet documents often end up gathering dust on a shelf.

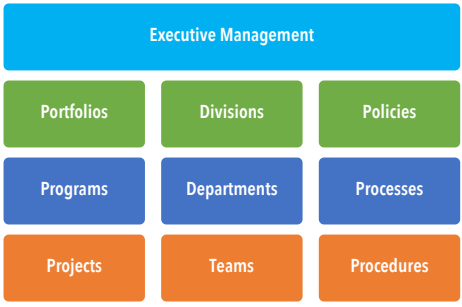
A growing number of business leaders now understand the need for information and technology to be embedded in the business strategy, rather than adding it afterwards, often at a too late stage.

Strategic Business IT alignment

1. There are two ways for advancing in this topic: either by beginning from the business strategy and aligning the IT strategy to it or by engaging in a C-level exercise to define the overall business strategy of which IT is part in its integrity. The latter is the preferred option when IT and technology can have a significant impact on an organisation's vision and mission.
2. Identify and highlight which parts of a strategy IT can offer added value, not just operationally but also tactically and strategically.
3. First, convince your executive management that you, as an IT manager, must participate in these strategic discussions to identify opportunities and challenges for IT.
4. If, for some reason, this is not feasible, then begin with the business strategy as a basis for your own strategy. If not already the case, break it down into clearly distinct objectives and assess IT's potential contribution to each objective, not just as a provider of quality services but even more so as an innovator and technology expert.
5. Link each of the identified objectives to one of the four IT roles that are described on one of the following cards to determine the most prominent ones.
6. Discuss with all participants how IT can support or even pro-actively steer certain parts of the overall business strategy.

Decision	N/A
Deliverable	IT response or contribution to business objectives
Owner	CIO, IT manager
Research	ISACA, Henderson & Venkatraman
Related cards	S-4

priority 10



Concerns of the executive management

Executive management may indicate that they encounter certain recurring or even structural issues with the current IT services that they receive and use. These include either those that do not meet their expectations or the service delivered is not adequate, performing well, reliable, or cost efficient.

Issues with IT services that are commonly experienced at the C-level are:

- Insufficiently aligned with business needs
- Inadequate
- Costly
- Non-performant
- Unreliable
- Poor availability
- Ubiquitous
- Outdated

IT is often viewed at as an internal vendor, delivering services to other entities within the organisation; hence, the department must meet or even exceed expectations. While this holds true, IT must strive to exceed its role as a mere delivering party by becoming a driver within the organisation.

Concerns of the executive management

1. The purpose is to identify all issues that your executive management has expressed over the past 6-12 months. The expressed concerns must be high-level, structural, and limited to a maximum of 10. Excessively detailed issues will be situated on a rather tactical or even practical level than on a strategic level.

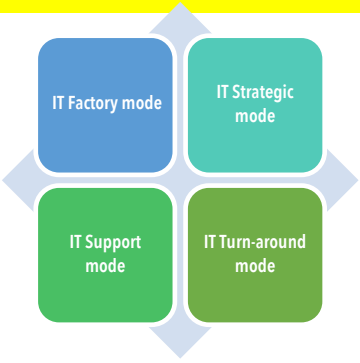
2. Attempt to rank these concerns and begin with those that have been stated frequently and are the most severe ones. Document them and use these as a baseline for keeping track of future progress.

3. At the end of this strategy exercise, evaluate whether these issues will actually get solved by the strategy that is proposed. Evaluate the management's perception at regular intervals during the implementation of the strategy to ensure these issues have indeed improved over time and if other issues became apparent.

4. Keep the selected concerns at bay during the entire strategy exercise so these do not get go out of sight when addressing different strategy topics, as it is very likely that these issues will reappear in different forms and shapes during the entire exercise. The solutions are spread over the different topics of this card deck and their combination will have to address the mentioned issues. Indicate whenever one of the proposed items will contribute to one or more of the mentioned concerns so that none remain unchecked.

Decision	N/A
Deliverable	Prioritised list of executive management concerns
Owner	CIO, IT manager
Research	N/A
Related cards	D-1, G-3

priority 10



The role of IT within the organisation

The role of IT can be divided into four categories depending on the kind of impact that is expected from IT as well as the need for speed and reliability of IT's services. These quadrants have equal value but depend on the competitive position of a company and its IT:

- **Support** mode: When IT is considered as having a low strategic impact and a low need for speed and reliability. Technology supports business processes rather than being part of them. The company expects IT to support its business, which is rather stable.
- **Factory** mode: When there is a high need for fast delivery of IT services which simultaneously must also be very reliable, IT must operate as a factory. Production and delivery of services are standardized and at par with best practices, so that a high cost effectiveness is obtained.
- **Strategic** mode: In case IT plays an active role in the realisation of a company's strategy and the delivery of services is expected to be a well-oiled machine.
- **Turnaround** mode: When IT operates in support mode but a more strategic role is considered, then a this mode can be considered before moving to Strategic mode.

The role of IT within the organisation

1. One purpose of this workshop is, among others, to determine IT's current and future role within the organisation and consequently close the gap during the implementation of the IT strategy. This discussion must take place during the initial phase of the strategy exercise, as it will influence future choices and trade-offs. It is rather likely that people will have different views on this; thus, it is important to attempt to factualize what the current role of IT is.
2. Determining IT's future role begins from the organisation's overall strategy and objectives, plotting IT's matching role on both axes:
   1) strategic importance and
   2) speed and reliability of IT's service offering.

   At this stage, the purpose is not to drill down to the level of specific services, as this will take you on a rather long discussion and push beyond the scope of this strategy exercise.
3. This workshop with people from different teams and with different backgrounds may reveal different expectations, which is quite alright as long as during a sound discussion this results into developing a thorough understanding of the future. The role of IT can be different for different business units or different entities within the organisation, each with their own strategic impact, speed, and reliability.

Decision	Decide on the most appropriate future role of IT
Deliverable	IT's current and future role with motivation
Owner	CIO
Research	McFarlin Strategic Impact Grid, Gartner Bimodal IT
Related cards	S-2, S-6

priority 9

Changing influencing factors

Strategies are dynamic in the sense that they must be re-adjusted when major parameters have changed or are on the cusp of change, such as the economic outlook, new market entrants, more stringent legislation, etc.

Not keeping track of these influencing factors would soon render your strategy outdated and even inadequate to face new and unprecedented challenges. A quarterly overview and evaluation of these influencing factors avoids your strategy from becoming out-of-sync with reality and, consequently, missing targets that were set at the start. Different external sources can be consulted to keep track of these influences: trade publications, economic dashboards, technology radars, tech forums, and summits, to name just a few.

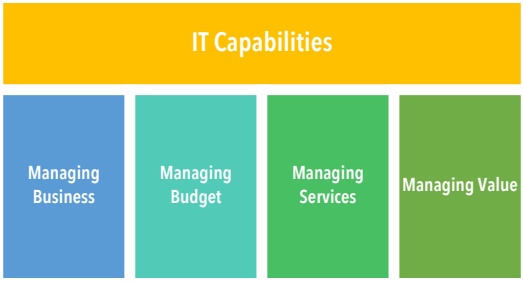
However, the most important influences often come from within: strategy changes, financial results, leading-edge products and services launches, R&D, marketing plans, and audit findings. It can be assumed that these can be more easily picked up on the condition that your antennae are set up and active with participation in executive board meetings and management communications.

Changing influencing factors

1. Identify the internal and external factors that can potentially have an impact on your IT strategy:
    - Economic outlook
    - New market opportunities
    - New market entrants
    - Calamities
    - Political change
    - Ever-tighter legislation
    - Failure or success of a service or product
    - More in-depth data intelligence
    - Mergers and acquisitions
    - Expansion into other regions
    - New innovative technology
    - Talent availability
2. Focus on those influences that are most likely to occur and assess the potential impact these can have on your IT organisation and strategy.
3. Take note of the those that are most likely to occur and simultaneously have a big impact. Ensure that these are covered during the remainder of this strategy exercise.
4. Keep these on your radar and revise during future strategy meetings, which should ideally be held every quarter.

Decision	Influencing factors that can impact the IT strategy
Deliverable	Major influences with likelihood and potential impact
Owner	CIO, Risk officer
Research	World Economic Forum, Harvard Business Review
Related cards	T-1, G-6

priority 8



Map IT on business capabilities

IT organisations support business capabilities as defined and provided by the business itself. Consequently, the IT strategy must include a mapping on these business capabilities. In fact, a strategy answers the basic question of 'What do we do?' The answer can be subdivided into the following aspects: core IT capabilities such as network connectivity, software engineering, and business enablers such as ERP, CRM, etc.

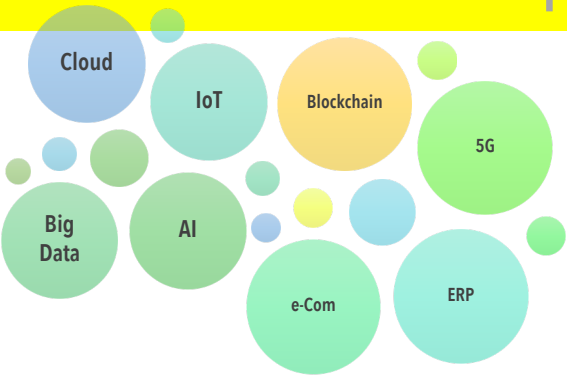
Prioritising the entire collection of capabilities (people, processes, and technologies) to fulfil the business strategy and build the IT organisation that will enable it may require new expertise and building blocks as well as tight coordination with business and external customers. The IT investing mindset also needs to evolve from investing in applications and infrastructure to investing in capabilities which cut across silos.

Achieving organisational consensus on priorities is a daunting process, particularly when it comes to de-prioritisation, so do not expect to obtain the capability definitions and prioritisation right the first time. It is an iterative process that involves business and IT stakeholders, whereby the question of whether we are sufficiently forward-looking can be answered.

Map IT on business capabilities

1. First, do some research on common core IT capabilities and attempt to determine those that are relevant to your organisation. These should not overlap but are mutually exclusive. Define the 'What', not the 'How'; thus, do not dive too deep into details either; your list of high-level capabilities must provide a complete description of your organisation.
2. Second, begin from the business capabilities to map with corresponding IT capabilities. Alternatively, should business capabilities not be defined, proceed with identifying the IT capabilities that are required for supporting each business department, each line-manager, and each application. The goal of business capabilities is that these become a common basis for discussion and planning. Appropriately defined business capabilities are fairly stable over time, persisting throughout organisational changes. Only major business model updates must affect them.
3. Not all capabilities are of equal value, so mark those that have a high importance for the future and are currently less developed.
4. Take these into account when defining the organisation model in one of the next cards as well as identify the skills these require.
5. Optionally, map all these capabilities onto your application landscape and avoid overlap or voids.

Decision	What major business capabilities must IT support?
Deliverable	IT Capability map
Owner	Enterprise architect
Research	Enterprise Architecture, IT-CMF, Zachman framework
Related cards	D-4, O-2



Digital transformation

According to Gartner, digital business transformation is the process of exploiting digital technologies and supporting capabilities to create a robust new digital business mode.

In fact, the term is so commonly used that it is difficult to define it in just a few sentences. Important though is the difference from automation, in which case non-digital or manual processes are automated mainly to increase efficiency. In contrast, digital transformation envisages new types of innovation and creativity rather than simply enhancing and supporting traditional processes. In fact, each product or service must be designed in such a manner that it can be offered digitally. One aspect of digital transformation is the paperless concept in which documents are not merely digitised but information processes and streams are redesigned so that even documents become ubiquitous.

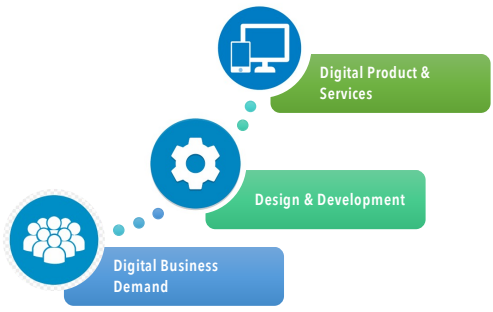
The challenge of digital transformation boils down to reinventing your organisation in such a manner that it can routinely explore and exploit digital opportunities faster than rivals can. It combines a broad range of domains, such as technology, innovation, people, processes, and methodologies; therefore, it must not be considered as a one-time effort but rather a continuous process in order to stay on top of it.

Digital transformation

1. As digital transformation is a collection of cross-departmental initiatives that go beyond the scope of an IT strategy, a digital transformation plan might already exist, in which case this card can be skipped. Refer to card S-8 that explains how the digital transformation plan must be aligned and even integrated with your IT strategy.
2. In case a separate digital transformation plan does not yet exist, we recommended to at least include such a section in your IT strategy document. The purpose of these workshops is to define the IT strategy, not the digital transformation plan. Describing a digital transformation plan is an extensive exercise and is organised in close collaboration with all business departments. It may require the conduct of numerous workshops and is, therefore, suggested to reduce the scope of the digital transformation discussion to known initiatives, so those are either ongoing or planned. Optionally, if time permits, this discussion can be extended with each participant's suggestions on future digital transformation initiatives.
3. Nonetheless, always attempt to involve the business in digital transformation exercises or at least have the results validated by all business departments involved as the impact on their organisation can be substantial.

Decision	N/A
Deliverable	Known digital transformation initiatives
Owner	Marketing manager, CIO, or Enterprise architect
Research	Digital disruption, Digital organisations
Related cards	T-1, S-8

priority 8



Integrating digital transformation

At first glance, digital transformation and an IT strategy can appear as if these were the same; however, there exists a clear distinction between both, although they are intertwined. While digital transformation focuses on transforming the business to become a digital company with digital services, improved processes, and a killer customer experience through various channels, an IT strategy encompasses much more and defines all the nuts and bolts required to render the digital transformation successful.

Digital transformation aims at obtaining competitive advantages through digital platforms and occasionally even goes as far as disrupting entire industries. In fact, digital transformation can or even should, disrupt internally, thereby bringing an end to inefficiencies and manual processes which are error-prone and slow.

Further, digital transformation, developed and implemented across all business areas, is a legitimate part of the overall business strategy and must be integrated in the IT strategy for common domains, as it will have to rely on IT for security, governance, operations, and a seamless integration with back-end systems.

Integrating digital transformation

1. This exercise can be rather elaborate, as participants need to be familiar with all existing digital transformation plans. If these plans are available, then take some time to first explain or even present these to all workshop attendees. If not, we refer to card S-7 for establishing these plans first.
2. Decompose the digital transformation initiatives into major functional building blocks without being tempted to decompose these in a bill-of-material-like structure. In fact the digital transformation plan can already reveal the business capabilities that form its foundation.
3. It is likely that many of these building blocks can be translated into specific IT needs that must be addressed in the IT strategy and, thus, in this strategy exercise. Missing out on even one on of these building blocks might force you to change your strategy at a later stage.
4. Describe in just a few sentences how each building block impacts the IT strategy without confusing IT strategy with requirements, (enterprise) architecture, or infrastructure.
5. This exercise might indicate that investments in new technology are required, so do not forget to include these in your strategic portfolio and the financial plan that supports the IT strategy.

Decision	Do we integrate digital transformation in the IT strategy?
Deliverable	IT impact of major digital transformation building blocks
Owner	Enterprise architect, IT architect
Research	Digital business strategy, Digital economy
Related cards	S-7, T-1, V-4

priority 8

Adopt emerging technologies

As innovation has become one of the main drivers for economic growth, it must be part of an organisation's DNA. IT must play a prominent role in these innovation initiatives, as it entails a high degree of technology expertise that is all too often insufficiently exploited.

Therefore, emerging technologies must be on an organisation's radar and assessed for innovating existing products and services or for designing new ones. These frequent validations do not guarantee success; thus, there must be a tolerance for failure when testing the applicability of new technology. 'Failing fast' is preferred over not experimenting at all, as opportunities must be exploited and validated. Innovation must leverage emerging technology and create new value propositions, customer channels, and enhanced services.

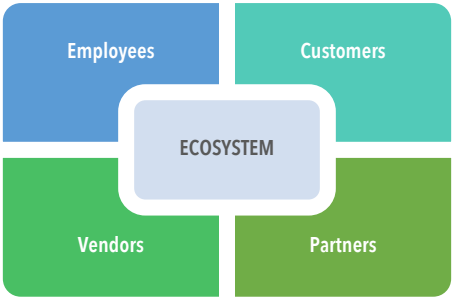
Technology trends can be picked up faster by a competitor offering them a competitive advantage in your industry. Ideally, out-of-the-box thinking is a process that is embedded in your organisation to avoid that new opportunities are missed out on.

Adopt emerging technologies

1. Technology trends can be monitored through different sources. As part of this exercise, run through this year's tech radar and identify the top five candidates in terms of investigating their potential in adding value to your current product and service offering. Describe in a few words why this technology is worthwhile to be investigated and highlight the benefits it can bring.
2. This exercise focuses on the expected benefits and value of technology rather than on the mere technical benefit; thus, only those technologies with a clear business goal must be retained and become part of the IT strategy.
3. Assess the resources that are required to exploit new technology (expertise, people, budget). The risk of failing must be balanced against the potential benefit it can offer.
4. This is not a top-down exercise, as expertise is omnipresent and must find its way up the ranks for validation so facilitating a bottom-up ideation process is mandatory for success.
5. With the 'failing fast' credo in mind, an iterative implementation process during which incremental value can be proven is preferred over a big-bang approach with only long-term benefits. Failing must be accepted within pre-defined boundaries. In addition, here, include business to validate the alleged business value new that technology can bring.

Decision	How to engage in new, emerging technologies?
Deliverable	Technologies to proceed with for rapid experimentation
Owner	CTO, IT architect
Research:	Innovation Strategy, Tech trends, Tech Acceptance Model
Related cards:	T-3, O-3, V-3

priority 8



Modular platforms and ecosystems

Platforms and ecosystems are key in a digital economy and essential for innovation, scale, flexibility, customer experience and stickiness, not only to customers but to all ecosystem participants.

There are several types of platforms to consider when developing an appropriate strategy, each with its own characteristics and benefits, for example, marketplaces are very common, bringing buyers and sellers together. Technology platforms provide infrastructure and solutions that must be transparent for the end-user and for which a superior customer experience supersedes product-centricity.

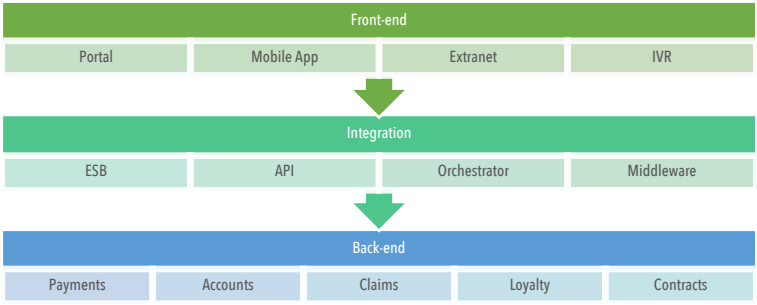
These platforms are built for handling scale, adhering to 24/7–99.999% availability. Building such platforms requires all processes, across departments, to be well designed and integrated into the layered structure of the platform's architecture.

This layered architecture enables the front-end to consume back-end services of various sources through an integration layer, regardless of their channel (physical store, online shop, mobile, counter, IoT, etc). Integration is not seldom the Achilles' heel when designing and operating such platforms in which new services can easily be plugged-in.

Modular platforms and ecosystems

1. Modularity of technical platforms is indisputably a main objective for every architecture; thus, consult your IT architects prior to this discussion or invite them to this part of the workshop, as their stance on this matter is essential.
2. Discuss the endeavours that are required to evolve from the current architecture to the desired state and the feasibility to actually reach the final state. An intermediate state might be more acceptable in terms of effort and cost, while still offering a large proportion of the desired benefits. Given the complexity, it is not advisable to construct such a platform from scratch.
3. Take this a step further and consider the evolution of your modular platforms into building a single ecosystem, integrating all parties into your technology platform: customers, suppliers, employees, partners, and even competitors. It is not advisable to attempt a large-scale transformation but rather plug in new functionality piece-by-piece.
4. What would be the utility and benefits that must be envisaged with the creation of such an ecosystem? Integrated product development, new revenue-sharing services, facilitating mergers and acquisitions, enhancing customer centricity, and growth and entrance into new markets, to name just a few. Thorough market research will be required before embarking onto such ambitious plans.

Decision	Will building an ecosystem offer strategic advantages?
Deliverable	High-level SWOT-analysis of an ecosystem
Owner	CTO, Enterprise Architect, IT Architect
Research	Enterprise Architecture, TOGAF, Digital ecosystem
Related cards	P-2, D-2, G-6



An optimal application landscape

Successful organisations shape technology around their current and, more importantly, their future business needs. Key applications play an important role in transforming specific industries.

Best-of-breed solutions, not focused on a single product or vendor, avoid the risk of creating a vendor lock-in with increasing cost and decreasing control as a consequence. They constitute a smart combination of custom-build, off-the-shelf third-party products, tools, and cloud services, all tied together via an integration layer and closely aligned with the business architecture, which is also known as the enterprise architecture.

An adopt-rather-than-adapt policy favours standard processes over customised ones, avoiding high implementation effort and reducing complexity and cost.

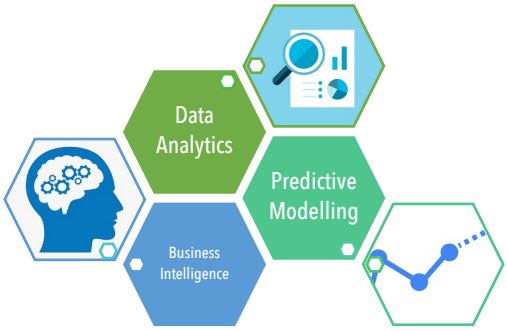
Compliance, governance, and security require increased attention when opting for hybrid environments, even more so when including cloud and open-source software. It might be opportune to engage in partnerships for acquiring expertise in highly specialised domains by adopting an open innovation approach and opening up systems for opportunities beyond the boundaries of your organisation.

An optimal application landscape

1. The discussion on this topic requires some preliminary work by your IT architect in the sense that an 'as-is' architecture scheme depicting all applications and tools is rather useful as a basis.
2. In addition, a functional overlap among applications, unsupported business capabilities, structural integration issues, major security issues, and non-supported technology must be identified and shared with workshop participants beforehand.
3. As with most strategy topic discussions, avoid diving into details but begin with a helicopter view on the application landscape and its inherent flaws and risks. Only drill down into a specific situation for the purpose of clarity and completely avoid excessively technical explanations.
4. Consider different elements when rationalising your application landscape, such as customer-centricity, cloud-first policy, centralisation, standardisation, mission-criticality, deduplication, level of maintenance, complexity, data retirement and archiving, business value, etc.
5. The final takeaway from this discussion must be a list of strategic considerations and pre-requisites that your architect can use for drawing up the 'to-be' application landscape and the evolutionary path to get to that state.
6. Do not overlook the financial aspect related to this!

Decision	N/A
Deliverable	List of strategic consideration for the 'to-be' landscape
Owner	IT architect, IT application manager
Research	Application lifecycle management, multi-tier architecture
Related cards	T-5, P-2, V-4

priority 8



Data Analytics and Business Intelligence

Organisations in every industry are harvesting data and utilising data analytics to gain competitive advantage and spur innovation. New business models and the fast pace of technology change are driving the need for a focus on data analytics. As data has gained strategic importance, new competences are required.

Data is modelled so that statistical information can be retrieved from massive amounts of raw data, from various sources, and rather often unstructured to turn it into useful information and provide management insight to customer behaviour and market trends.

Predictive analysis based on such statistical models aims at identifying future trends and creates opportunities for organisations to better align their products and services with customer's expectations.

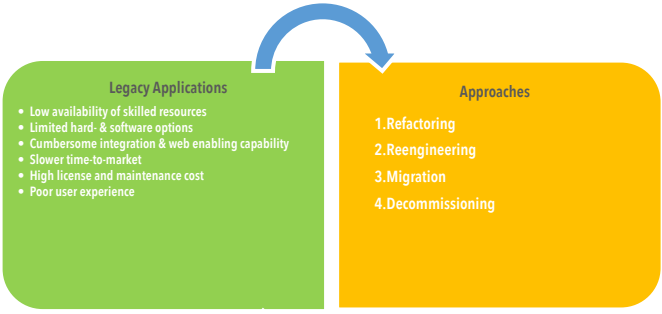
Algorithms can be developed to recognize patterns, acquire knowledge, and mimic human behaviour, like understanding human speech. These algorithms are already omnipresent in today's devices, apps, and appliances. If data is 'the new gold' then so are these algorithms, which require protection against internal and external misuse.

Data Analytics and Business Intelligence

1. It is difficult to imagine an IT strategy that does not cover this topic, as data analytics have become such a powerful and indispensable tool in steering a business. An IT strategy encompasses a vast domain and is rather specialised; thus, a strategy exercise must steer clear from attempting to define the 'how' and limit the discussion on the strategic stance that an IT organisation will adopt.
2. This brings you back to your first dilemma: Where in the organisation should this be positioned as part of IT or rather within the business itself? Ideally, this is not an IT-only capability but one that must be mirrored between business and IT, as each has their responsibility: business where the intelligence must reside and IT for running the technical part.
3. Attempt to highlight what elements from the business strategy require increased data analytics and even predicative analysis capability, which are not already present and will require major changes in the IT organisation.
4. Ensure your data experts are involved in this discussion as the repercussions of a fairly simply business expectation can have substantial impact on systems, operations, and teams. You could also consider obtaining a second expert opinion on this, possibly from a partner or company with a high-level of expertise in this domain.

Decision	Where in the organisation do we position BI and DA?
Deliverable	Business strategy items that require increased DA
Owner	Chief Data Manager, BI manager
Research	Decision analytics, Machine learning
Related cards	O-3, G-5

priority 9



Dealing with legacy systems

A substantial number of organisations still relies on infrastructure and applications that are either outdated or have become obsolete. An aging workforce that can no longer be replaced, systems no longer supported by their vendors, security patches that are no longer available, cumbersome integration due to a closed or proprietary architecture, high maintenance costs, and batch processing blocking digital transformation are all apparent issues and risks.

A sound well thought-out Application Lifecycle Management (ALM) must address this situation and offer a way out for a long delayed phase-out. This cannot happen overnight and requires to be based on a phased approach, as a big-bang solution inherently entails numerous risks, of which interruptions are the most feared ones. The time has come to bite the bullet and identify the most suitable approach for these.

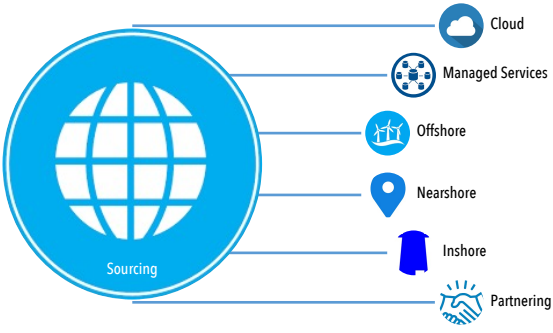
The long-time presence of legacy infrastructure like mainframes, is tied to legacy back-end applications that run on it, as these cannot be ported to newer infrastructure. Replacing both will have its implications on the IT budget and must be compensated by introducing solutions with a lower total cost of ownership (TCO), thereby making the business case for their replacement less difficult to digest.

Dealing with legacy systems

1. A consolidated view on your existing application landscape will provide useful insights on systems that are end-of-life and, thus, candidates for rationalisation and even phasing out.
2. Distinguish between systems that are already past their expiry date and, thus, are no longer supported by their respective vendors and those that are on the verge of expiry in the near and more distant future. Their RAG status must be updated whenever their situation changes.
3. Within the context of your strategy exercise, assess the risks associated to simply keeping the lights on and offset this against the cost for providing solutions to the problem.
4. Consider alternative options to deal with legacy systems, either by mitigating the most pertinent risks, envisaging a sunset scenario, or simply replacing them by modern, future-proof systems.
5. As this involves complex and long-lasting migration trajectories, thereby posing a heavy burden on IT resources, the IT strategy must include budgetary implications, increase in workload and staffing, as well as the potential business impact.
6. Inclusion in the strategic portfolio is essential so these are not delayed any further because of lack of approval or insufficient funding.

Decision	Which applications are at risk and require action?
Deliverable	Risk assessment of legacy applications + mitigation
Owner	IT application manager
Research	Application lifecycle management, legacy modernisation
Related cards	T-3, G-2, V-4

Partnerships



Strategic sourcing

Due to the ever-evolving specialisation within IT, organisations tend to outsource non-core activities so they can focus on high-value services. Services that do not offer sufficient added value are considered as overheads and become candidates for outsourcing.

The commoditisation of certain IT services enables the shifting of focus, whereby low-cost external IT services can offer substantial savings. A similar move towards outsourcing managed services is beneficial to unburden organisations with many of its routine tasks and sharing responsibility with third parties.

Different types of outsourcing can co-exist perfectly, from simply extending workforce capacity over infrastructure-as-a-service to software-as-a-service, bearing in mind that both IT strategy and enterprise architecture are too crucial to outsource and must remain in-house competences.

Further, cloud is the option of choice in determining your sourcing strategy with regard to non-differentiating, non-core, services, thereby reducing operational risks and avoiding the need for building skills in these domains.

Strategic sourcing

1. Again, beginning from your IT capabilities, discuss the eligible candidates for outsourcing and provide the reasons and objectives for this: cost savings, lack of expertise, unburdening, operational ease, reducing complexity, temporary need, shift from investments to operational costs, aging workforce, proximity, etc.
2. Consider the different types of outsourcing and which of these would be most suitable for the different capabilities identified as candidates for outsourcing.
3. Identify whether any of these initiatives can create additional vulnerabilities within your organisation, such as spontaneous knowledge drain over time, high external dependencies, degrading service levels, overhead and travel cost, complex delivery models, integration issues, language barriers, etc.
4. Assess the negative consequences of these outsourcing initiatives on the current workforce as well as the related social impact. HR involvement is highly recommended in this sensitive discussion.

Decision	What sourcing options to consider to enable the strategy
Deliverable	Candidates for outsourcing + high-level SWOT-analysis
Owner	Procurement manager
Research	Vested outsourcing
Related cards	P-2, D-2

priority 8

Partnerships for accomplishing the strategy

Open innovation is crucial in today's technology driven industry. The traditional fixed set of few partners and long-term collaborations is shifting towards a broader range of diverse partnerships, each adding value to your ecosystem: user groups, competitors, vendors, trade associations, open-source initiatives, etc. Partnerships can be very fluid and change shape over time, from mass collaboration over open-source initiatives to hackathons.

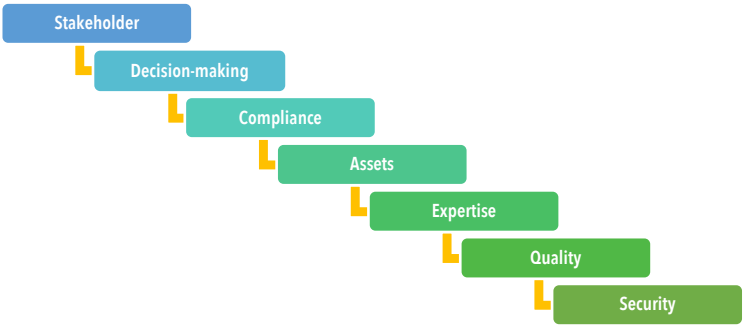
Opening your IT organisation to the external world and mining expertise, knowledge, and innovation is a daunting task that has to be well prepared for in order to protect your IP and assets, as collaborations inherently work in a reciprocal manner.

The global and interconnected economy allows for scanning beyond regional boundaries and enables the exploitation of opportunities worldwide. It offers new opportunities that are otherwise left unexploited and even unknown. Increased specialisation, new revenue-sharing models, and faster time-to-market are all benefits that can result from these partnerships. By moving up in the value chain, vendors account for a higher degree of participation, accept a broader responsibility, and become more concerned with quality and end-to-end results.

Partnerships for accomplishing the strategy

1. Begin again from the organisation's overall strategy and the missing or underdeveloped capabilities within the IT organisation to accomplish this strategy.
2. Consider whether it might be opportune to engage in partnerships by adopting an open innovation approach and scanning opportunities beyond the boundaries of your organisation.
3. Reflect which of the below mentioned types of partnerships can facilitate, strengthen, or speed-up IT capabilities:
    - Competitors
    - Customers
    - Vendors
    - Research labs and R&D organisations
    - User groups and trade associations
    - Open-source initiatives
    - Mass collaboration and crowd sourcing
3. Optionally, potential partner names can be suggested next to the selected types of partnerships, although this is certainly not a must at this stage of the exercise. However, it can give participants a better idea of who could be potential partners and require further analysis.
4. Finally, link the suggested partnerships with the objectives and discuss how these can contribute to the set goals.

Decision	Is it opportune to engage in partnerships?
Deliverable	Potential types of partnerships with high-level objectives
Owner	Procurement manager
Research	Open innovation, Global value chains
Related cards	S-2, S-6, P-1



IT-related goals (COBIT)

An organisation's goals can be translated into IT-related goals, whereby governance ensures that these are in sync with stakeholder needs, prioritisation, decision-making and compliance:

1. Business and IT strategy alignment
2. IT compliance and compliance with laws and regulations
3. Commitment of executive management for IT decisions
4. Managed IT-related business risk
5. Benefits from IT investments and services portfolio
6. Transparency of IT costs, benefits, and risk
7. Delivery of IT services in line with business requirements
8. Adequate use of applications, information, and technology
9. IT agility
10. Security of information, infrastructure, and applications
11. Optimisation of IT assets, resources, and capabilities
12. Integrating applications and technology into business processes
13. Programmes delivering benefits and meeting requirements.
14. Reliable and useful information facilitating decision-making
15. Compliance with internal policies
16. Competent and motivated business and IT personnel
17. Knowledge, expertise, and initiatives for business innovation

IT-related goals (COBIT)

1. Run through the list of IT-related goals on the front of this card and only select those goals that require special attention, as these are commonly considered as not being up to par.
2. Park aside the selected goals that are already addressed in one of the other strategy cards, as several of these are represented and discussed in another strategy card.
3. Begin your discussion on what is required to cover or to improve the IT goals that are selected, as a strategy exercise aims at assessing and tackling the more structural items. In other words, the objective here is not to describe the content or actions associated with each goal but to define what the strategic stance must be on a problematic goal in order to resolve it.
4. Raise the following questions for each of these:
    - Is the ownership of each of these goals attributed to a team or a person?
    - Do we have the right processes in place to support this goal?
    - If so, are these processes sufficiently enacted upon?
    - Are these goals audited at regular intervals to ensure that these are executed as described?
    - Is their status communicated via a management report so that issues are escalated in a timely manner?

Decision	Do we have the appropriate IT governance processes?
Deliverable	Overview of IT goals that are up for improvement
Owner	IT governance manager
Research	ISACA COBIT, ISO/IEC 38500:2008, IT Governance matrix
Related cards	All

priority 8

Integrate risks in your IT strategy

Essential to any strategy is a section that includes the assumptions that were made and the risks the strategy entails or seeks to mitigate. These will serve as a calibration point to subsequently re-align the strategy when the reality has significantly changed. If assumptions prove to be wrong, it is very likely that the strategy requires to be reviewed accordingly. When risks are not mitigated and become facts, then it is likely that your strategy was inadequate; thus, there is all the more reason to include and assess risks.

However, there is another category of risks that deserves attention: those risks that directly result from implementing the strategy itself. Fundamentally remodelling an organisation inherently carries the risk that it fails because of strong resistance to an invasive overhaul or a partnership that falls short of its promises and might have a negative secondary effect on your credibility and brand.

Risks may be of various kinds (financial, continuity, brand image, quality of service, legislation, cyber crime, privacy) and must be discussed intensively with the risk officer, including the likelihood and impact assessed. Unauthorised access, identity theft, privacy issues, cyber crime, IP theft, and data breaches are pertinent IT risks that cannot be left unaddressed in an IT strategy.

Integrate risks in your IT strategy

1. Ask workshop participants to list
   - risks that the IT strategy is supposed to mitigate
   - risks that are linked to the actual implementation of the strategy
2. It is not very realistic to expect an exhaustive list resulting from this discussion; thus, an easier approach is to make note during these sessions every time somebody indicates a risk, assumes a trend, a situation, a consequence, or simply an alleged fact. The consolidated list must figure in the strategy document and referred to from within other sections of your document.
3. Attempt to agree on a high-level response to each of these risks by
   - accepting the risk and its consequences,
   - mitigating the risk so that it is either neutralised or minimized,
   - financially covering the risk by allocating a budget to it,
   - insuring the risk so that the financial impact is reduced.
4. A strategy must only focus on major risks with a high likelihood of occurrence and a high impact; thus, a prioritisation based on the combination of both is common practice before proceeding with any actions.
5. Ask your (Chief) Risk Officer to validate this and help in refining the risk section of your IT strategy document.

Decision	What major risks require an appropriate response?
Deliverable	High-level IT risk assessment with mitigation
Owner	IT governance manager, Risk officer
Research	Risk IT framework, NIST SP800 30, ISO27005, Risk matrix
Related cards	T-5, G-1

priority 10

Quality concerns affecting strategy

Quality is not merely an operational issue that requires to be tackled entirely separately from strategic considerations; it must be ingrained in every process and part of your organisation. It also comes at a cost, so leaving it untouched now will prevent you from including it in the IT budget subsequently.

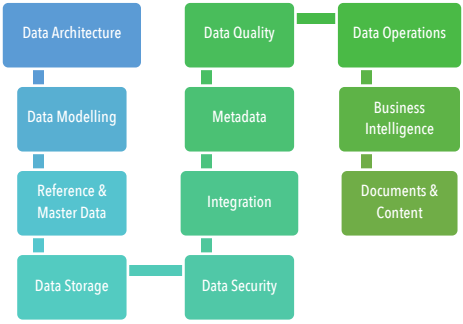
Many IT organisations have experienced serious quality issues at some point in time, which may be related to underdeveloped skills, unfinished processes, poor data management, missing quality management, and inadequate validation measures.

Introducing a test methodology and associated processes is essential but will not suffice. Thorough testing often occurs at a rather late stage and doing things right the first time demands quality to be introduced from the beginning of any initiative. Quality management is also a cyclic, never-ending process, as referred to in Deming's quality circle; it is constantly evolving based on changing environments and new experiences. Not only is it a specialized matter for which expert advice can help in introducing total quality management, it also requires people to be trained regularly in quality related skills and cultivating a 'quality mindset'.

Quality concerns affecting strategy

1. Attempt to come to an understanding on what lies at the basis of IT's quality issues. Avoid getting trapped in too much detail and low-level operational issues, but search for structural solutions that can remediate quality issues across teams, applications, and processes.
2. The perception of quality is often rather subjective and viewed upon differently, depending on people's individual expectations. Therefore, it is useful to determine common quality objectives that can be measured and compared, such as availability, performance, response times, throughput, returns, maximum defect threshold, etc.
3. Identify the roles and even functions that might be required to execute your quality program. A quality manager can coordinate and supervise all quality-related actions (manual and automated testing, user testing, tooling, customer surveys, peer validation and audits) not only for the internal organisation but also for all external parties that are contributing to your services and products.
4. Regular quality audits and certification by certified institutions must guard the level of quality that is expected by customers and end-users. This exercise must create a common baseline for measuring progress.

Decision	N/A
Deliverable	Quality objectives and outlines of a quality program
Owner	Quality manager, IT Governance manager
Research	TQM, Deming, ISO-IEC 9126, Quality by Design, EFQM
Related cards	S-3, D-1, G-2, G-4



Data governance

'Data is the now gold' is an overly heard credo which only holds true when data is harvested and exploited appropriately. A few organisations even go as far as assigning a Chief Data Officer who focuses on managing the organisation's valuable data to create competitive insights and sets the basis for enhancing products and services.

The expanding universe of data and ever more stringent data privacy legislation is forcing organisations not only to define how to acquire data but also how it can be accessed, stored, and protected.

Artificial intelligence consumes high volumes of data, often unstructured, while business intelligence aggregates data to a level that offers in-depth knowledge. Master data management must avoid data duplication and inconsistencies across data stores and applications with 'security by design' as a sound principle to adhere to.

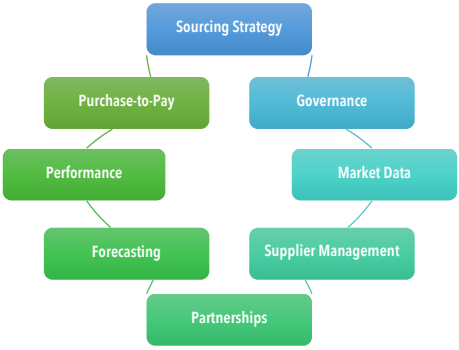
A layered approach is applicable at the operational, tactical, and strategic levels. While the latter offers top management with insight into the organisation's performance, services, and market, the tactical level offers them the input and handles to steer and transform the organisation.

Data governance

1. It is difficult to engage in a discussion on data management without the results and recommendations of an audit or assessment of the current situation and issues. Specialised companies can assist in obtaining the full picture, as they would cover several specialised areas, as is the case for other cards as well.
2. These recommendations will contribute to the roadmap that is required to obtain the desired level of data governance, thereby relying on best practices and conforming to legislation and internal policies on data quality protection, operability, and data access.
3. Identify the domains that are the most vulnerable to misuse, fraud, or operational risk and prioritise these accordingly. The strategy must not only indicate all problematic areas with their associated action plan but also describe the approach to design, build, and manage fraud-proof data repositories and procedures.
4. Add to this the roles that are required to support this plan within the entire IT team and not merely within your quality or security team; for example, data ownership and stewardship is a role that can avoid several of the above-mentioned issues.
5. Finally, as a lot of data may have been archived long ago and on media that might no longer be supported (such as microfilm, paper, tapes, etc.). Ensure that you track if these can either be destroyed or copied to newer storage and archiving devices and solutions.

Decision	N/A
Deliverable	Vulnerable areas with high-level approach and action plan
Owner	Governance manager, Data architect, Security engineer
Research	DCAM, DAMA, Enterprise Information Management
Related cards	T-4, T-5, G-2, G-3

priority 6



Embedding procurement into the strategy

Defining an adequate strategy is not merely a theoretical exercise created by management in their ivory tower. When done properly, it is sufficiently practical and comprehensive for every member of the IT organisation to understand and use, including IT procurement.

As the strategy will have budgetary implications, impact contracts, and determine the proceedings with future contracts, application consolidation, new sourcing models, quality requirements, cloud policies, etc. will undeniably increase the importance and efforts of procurement's proactive role within the IT organisation.

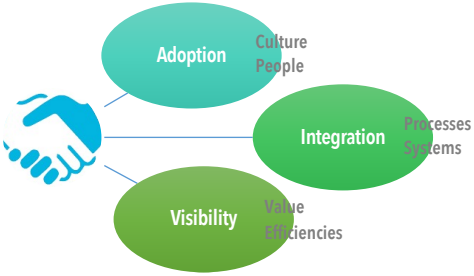
It cannot be expected that procurement will automatically address all issues resulting from the strategy without clear guidelines on how this strategy relates to service level agreements, privacy clauses, pay-per-use models, licensing schemes, and partnerships.

Traditionally, IT maintains many contracts with a wide range of suppliers, some of them rather substantial; thus, optimisation by means of introducing standard contracts, service level agreements, and legal clauses not only result in savings but will also be less complex to manage. The service that is delivered to your end-customer will only be as strong as your weakest link within the value chain.

Embedding procurement into the strategy

1. Including IT procurement in strategy is not an obvious task and might raise some eyebrows regarding what the objectives may be. The strategic intent for IT procurement, in combination with IT management, is to take up a more proactive role when it comes down to increasing knowledge of the IT market, pricing that conforms to the market, alternative payment schemes, revenue sharing models, etc.
2. As part of this workshop, raise the question on how IT procurement can not just support the IT strategy but also on how they can become part of it.
3. Question and identify procurement's role in every topic of this card deck. In other words, either have a separate discussion on this topic or address the strategic role of IT procurement when discussing each topic separately.
4. Set targets that can reasonably be expected from procurement when extending its role from purchase-related activities to more market and product knowledgeable ones.

Decision	What are our objectives towards strategic procurement?
Deliverable	Indication of procurement's strategic role
Owner	IT governance manager, Procurement officer
Research	Strategic sourcing, Spend forecasting
Related cards	S-4, P-1, P-2



Mergers and acquisitions

The context of this topic is twofold: either your organisation is planning a merger or acquisition and IT is requested to perform its due diligence or the IT organisation itself is merging with another IT organisation.

In the first case where businesses merge, IT is often not or barely part of the due diligence that precedes it. Not seldom, challenges with integration only become apparent after the M&A has already been finalised. Therefore, it is strongly advocated that IT is included in the due diligence from the beginning, as this can avoid surprises from surfacing at a later stage. IT due diligence often focusses on people, applications, governance, infrastructure, and operational aspects.

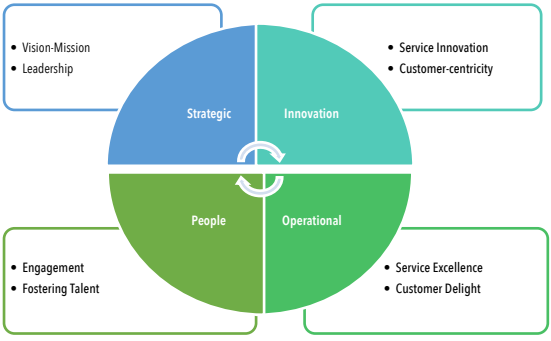
The goal of an IT strategy is not to include the due diligence itself but to facilitate an M&A. How can your organisation, governance, and applications be modelled in such a manner that it can accommodate other organisations and systems without having to start over from scratch? Is it based on standards and best practices so that people can easily get acquainted with it? Is the architecture sufficiently modular so that new applications can easily be plugged in without the need for an entire overhaul? Are processes straightforward and clearly documented?

Mergers and acquisitions

1. If your company or organisation is not planning any M&A in the short or long term, this topic can be skipped.
2. However, in case your organisation has an M&A track record, it is likely that it will occur again in the future, in which case you can discuss how to define a framework that will facilitate future M&As.
3. This framework is based on an 'open' IT organisation in the sense that it can flexibly accommodate the integration of people, processes, capabilities, systems, and applications.
4. Assess the following issues during your discussions:
   - Is the organisation sufficiently relying on standards and best practices such COBIT, ITIL, Prince2, PMI, TOGAF, etc.?
   - Are methodologies well documented so that newcomers can get around fairly quickly?
   - Is the architecture horizontally layered and service-oriented so that new services or functions can be added without rework or overhauls?
   - What skills are missing and can these be acquired by a potential M&A?
   - Are your systems and solutions scalable so they can process higher volumes by turning a switch?

Decision	Do we need to evolve towards an 'open IT organisation'?
Deliverable	Best practices, methodologies, and standards to adopt
Owner	Governance manager
Research	IT due diligence, M&A playbook, open IT organisations
Related cards	S-6, T-2, T-5, O-3, G-3

priority 9



IT services to excel at

A service catalogue typically lists all services that an IT organisation delivers to its internal and external customers and users, from staging laptops, enabling working-from-home facilities, to providing financial consolidation tools. It specifies the cost per service and the service level that can be expected. Not all services are critical for busines and, thus, service levels are provided in relation to the criticality of the specific service.

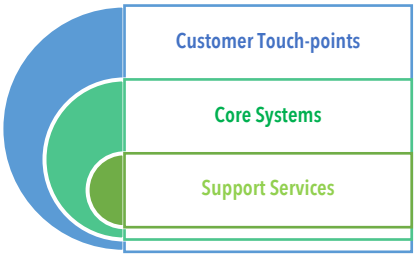
It is not very realistic to assume that a single IT organisation can excel at all these services, as the diversity would require huge effort to build up skills and acceptable quality levels for all of these.

However, there are a few differentiators that must be examined when determining the criticality of a service and the motivation for exceling at it. Does it concern a core service that offers your organisation a competitive advantage (e.g. offering customers online tools for managing their products might be differentiating you from your competitors). How long can you do without the service in case of unavailability? (e.g. an ERP system might be at the heart of your logistic management). What is the customer's perception if the helpdesk cannot be reached within a reasonable timeframe? Prioritisation is essential in determining the services that you must excel at.

IT services to excel at

1. Beginning from an IT service catalogue to determine 'premium services' can be too demanding; thus, alternatively, you turn back to the capability map and select only those that are core, busines-critical, or considered to perform below par.
2. What would be the benefit should you step up to a higher performance level for these services and what would be the estimated high-level cost associated to this effort?
3. Are these inline with the future strategic mode that was previously agreed upon for the IT organisation? If you intend to operate in factory mode, then attempting to excel in establishing innovating processes would be out of sync with that.
4. Can you rely on the talent, quality, effort, and budget to accomplish this goal or are these initiatives too far-fetched and maybe even unrealistic so that we will not be able to live up to our promises after having communicated this plan to all stakeholders and employees?
5. Define which key performance indicators will apply when measuring the success of a service to avoid that it is viewed at and interpreted differently afterwards.

Decision	N/A
Deliverable	IT capabilities & services supporting the future role of IT
Owner	Service delivery manager
Research	CMMI, IT best practices
Related cards	S-3, S-4, G-3, D-2



Differentiated and layered IT services

IT services target different objectives and customers; therefore, all these must not all be managed in the same manner. Customer-facing applications like mobile apps have high visibility and can be labelled as being 'critical'.

These different layers can be peeled off, with each layer deserving separate attention, as these will determine the need for either keeping the expertise in-house or outsourcing it completely. Commoditisation of support services such as infrastructure, networks, and end-user devices has led to more efficient use of internal resources and shifted focus more towards the outer layers.

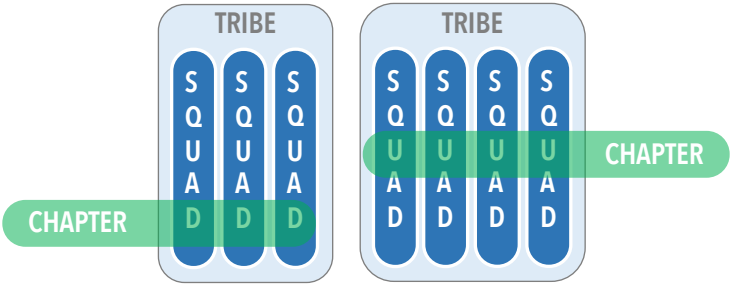
Investing in internal expertise and skills is more likely to be beneficial when these are invested in services that are either core or are offering a competitive advantage. It avoids investing in services that have lower benefits and for which expertise is abundantly available with third parties that have made a business of providing these particular services.

Differentiated and layered IT services

1. Beginning from the metaphor of the peeled onion, as depicted on the front of this card, label each service of your service catalogue with the most appropriate service category. These can be customer-facing services, core services, support services or any other categorisation that better serves your particular business.
2. Answering the following questions can be of help when defining the different layers of services:
    - Is the consumer of this service internal or external?
    - Can the services be identified as being critical for business?
    - Is this service customer-facing?
    - Can it be labelled as a core service, part of our DNA?
    - Has this become a commodity for which solid expertise is abundantly available in the market?
3. Now discuss those aspects which appear to be the most important categories to focus your expertise on and explain the associated benefit and strategic fit. In addition, identify which of the commodities are viable candidates for outsourcing and will not require any more training or hiring.

Decision	Which services categories can be identified?
Deliverable	Overview of major service layers with their characteristics
Owner	Service delivery manager, Quality manager
Research	Gartner Bimodal IT
Related cards	P-1, D-1

priority 8



Running smooth operations

IT operations are expected to run smoothly and efficiently, with minimal outages and at low cost. First, distinguish between purely operational activities, such as running a data centre or managing a network and operations, in the sense that it defines how applications are designed, developed, launched, and maintained. The latter can be of strategic importance, as it will determine the speed of your go-to-market and the quality that is perceived by internal and external customers.

Traditional development models are increasingly being replaced with DevOps models, borrowed from successful online services, like Spotify aka the Spotify-model, with squads and tribes that take end-to-end responsibility for launching services. These models envisage more frequent releases of new features with fewer errors so that the go-to-market is reduced to smaller and more frequent iterations.

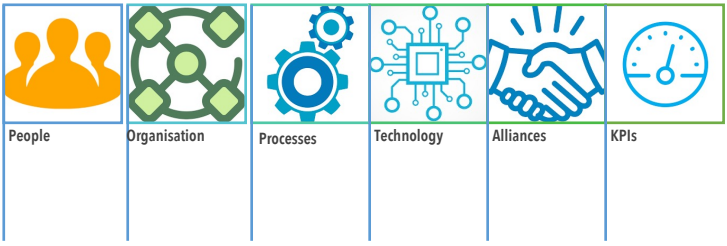
DevOps paves the way for developers to release their own work by creating an environment and tools, such as building scalable infrastructure and the associated support to launch their appropriate work.

Running smooth operations

1. First, attempt to reach a common understanding that the organisation of your operations can have a strategic edge, depending on the nature of your business. If this is not commonly acknowledged, then it is not worthwhile pursuing this topic as part of your strategy; however, it can still be tackled within the scope of your Target Operating Model (TOM).
2. However, if it is indeed acknowledged that operations make sense as a component of the IT strategy, then turn back to the IT concerns that management has indicated that are complementary to those perceived by workshop participant. If speed, quality, and end-to-end responsibility are at stake, then fine-tuning the existing operational model or eventually replacing it entirely is worth discussing.
3. Research on the below mentioned models will reveal what these can offer and how these can solution issues. There is no magic bullet and changes are not hassle-free and are difficult to implement.
4. This is not a purely top-down approach, as your employees and external consultants might bring valuable input to the table from their experience with previous employers.
5. Indicate in your strategy the direction that it will take over the next one or two years without explaining the entire TOM; this can be detailed subsequently in a separate exercise.

Decision	Does IT operations require a more strategic edge?
Deliverable	Operational areas contributing to the strategy + benefit
Owner	Operations manager
Research	Spotify-model, Scaled Agile Framework, DevOps
Related cards	O-2, G-3, D-4

priority 7



Target Operating Model

A Target Operating Model (TOM) converts a strategy into an operational plan. It is a high-level representation of how an organisation or a company can be organised to deliver more efficiently and execute its strategy. It is a visualisation that explains how an organisation operates, a sequence of steps that describes the essential functioning of the organisation, and its interaction with other entities.

CIOs find themselves in a position where they must undergo a re-thinking of their operating model, taking into account all challenges and setting up their teams for a wide-scale transformation program. As there exist various TOM frameworks, we suggest only focusing on the essential aspects: the people, processes, and technology that are essential to each IT capability.

If the strategy changes considerably, then undoubtedly the TOM will have to be adapted accordingly. Global organisations might operate under multiple TOMs, as the strategy for different entities might differ. A TOM becomes indispensable when relying to a large extent on outsourcing or third parties. It will have to describe the demand-supply processes between the different parties in order to avoid these becoming sub-optimal with the risk of operational interruptions.

Target Operating Model

1. Keep the conversation on this topic limited to the highest level of detail, limited to the essential parts of a TOM. The primary objective here is not to define the entire TOM but only to draw the boundaries of your TOM and determine its main components.
2. Consider how your current operating model will have to change in order to align with all the strategic decisions that have been taken thus far during the course of these workshops, more specifically with regard to people (again), processes, technology, and quality.
3. Over the past year, did you experience any major disruptions in your demand-supply model and could these have been avoided by upgrading and improving your operating model?
4. In case the operating model indeed needs to be reworked, define which teams must be involved in this and set a target date for completion.
5. Finally, assess whether the TOM is sufficiently aligned with the business operating model and identify major gaps to be closed.

Decision	Does the new IT strategy necessitate a revised TOM?
Deliverable	High-level TOM + associated strategic goals and benefits
Owner	Operations manager, Service delivery manager
Research	POLISM, Business Model Canvas
Related cards	S-4, G-1, D-3

priority 8

A centralised or decentralised IT

Much can be said for centralising the IT services of global organisations or regional business units so that these can share common standardised services. This holds particularly true for services that have become commodities, such as infrastructure, networks, user devices, service desk, IT procurement, etc.

The risk of the pendular swinging too much in the direction of centralisation is that local units become much more dependent on the central IT organisation, often with less attention given to local needs and particularities. Moreover, the speed of delivery might be an issue, as the entire delivery process might be slightly more cumbersome than when needs and requests are dealt with locally.

A federated IT organisation can be the right in-between, offering the benefits of centralised shared services while acknowledging that different entities can have specific needs, legislation, and culture. Federated IT organisations come in all shapes and sizes, with the challenge being in finding the right balance between the benefits of centralisation and the flexibility of having services delivered locally.

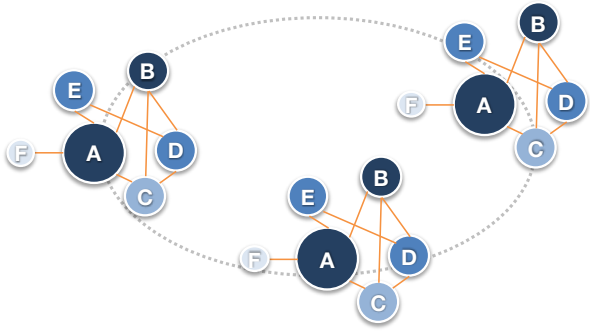
Although this topic is only crucial to global organisations, it is still useful to walk through it and discuss it.

A centralised or decentralised IT

1. This being said, how can it be determined which of these models is the most appropriate for your organisation? Well, it depends on the parameters that are valued the most:
    - Company culture and organisation model
    - Availability of local skills and talent
    - The degree to which entities have different needs
    - The level of standardisation of processes across entities
    - Proximity of different entities
    - Common language and culture
    - Dependence on locally provided expertise
    - Local legislation and taxes
    - Standardisation of systems and applications
    - Any other parameter specific to your situation
3. The choices made will undeniably impact your budget and financial model. A cost-transferring mechanism, like transfer-pricing to allocate and internally invoice costs to the actual consumer of IT services, could be introduced.
4. Since there is no such thing as a 'single version of truth' in this matter, this exercise will only provide you with additional insight and direction in determining a suitable organisational model.

Decision	Do we require a centralised or decentralised IT model?
Deliverable	N/A
Owner	CIO, Service delivery manager
Research	IT consumerisation, shared services
Related cards	S-2, D-3, D-4, O-2

priority 7



IT teams enhancing business agility

The main idea underlying the creation of new types of teams is to increase agility. New organisational models are surfacing as business is looking for alternatives. These do not necessarily fit into standard (HR) processes and are occasionally even more difficult to manage.

- **Self-steering**: Keeps decision-making at the team level. These teams have the ability to act fast, thereby facilitating a more flexible response to sudden changes; however, this also requires sufficient flexibility in goal-setting and demands constant feedback to keep every team member on the same track.
- **Cross-collaborative**: Comprises people with different areas of expertise, enabling each member to leverage their strengths to accomplish the team's goals and facilitate knowledge-sharing within the team. With everyone bringing a different skill to the team, regular feedback from the team leads and peers are key.
- **Ad hoc**: These are not static teams but are often project-based groups which are formed and disbanded on a need-basis. People move between groups based on the skills that are required and their interest in a specific project or business area.

IT teams enhancing business agility

1. Each workshop participant can suggest the team structure that appears most suitable for their specific team, as not every department or team within the IT organisation must be structured in a similar manner.
2. Discussing different organisation models within the context of this workshop and highlighting the pros and cons for each model allows narrowing it down to the most suitable team organisation for a specific purpose or department. Take into account that a one-size-fits-all organisation model probably does not exist. Instead, it is time to build an agile process that caters to the needs of agile teams.
3. Enhancing business agility is the main objective and might require changes to the associated business organisation as well; thus, ideally, the outcome of this workshop must be discussed with the respective business heads before actual implementation can take off. Hybrid teams staffed with people from the business and IT teams, united in a single team, will tear down the well-known walls that occasionally exists between business and IT and can spur a more close cooperation between the two.
4. As these new team structures may not align with existing HR processes, it is important to take up the issue with HR so that these can be adapted accordingly.

Decision	Determine the most suitable organisation model
Deliverable	Organisational model or organisation chart per team
Owner	IT manager per team
Research	Communities of practice, Self-organisation, SAFe, Sociocracy
Related cards	S-2, W-1

Effectively attracting and retaining talent

Attracting and retaining talent are amongst the most important activities for an HR department, whereby the required skillset has become increasingly dynamic with roles and competences evolving at a faster pace than ever before. IT recruitment is a combination of hiring permanent employees and engaging contractors that either introduce a specific skill that is not yet present in the organisation or simply to respond to a temporary increase in workload.

As remote working has become increasingly popular, hiring talent can surpass national borders and occur on an international scale, thereby providing access to a larger labour market as well as offering more diversity in skills, expertise, and culture. With organisational structures flattening and workforces becoming increasingly fluid, connecting people is more important than ever. This is where organisational communities come in, accelerating development, breaking down silos and enabling knowledge sharing, and helping to hire and retain staff.

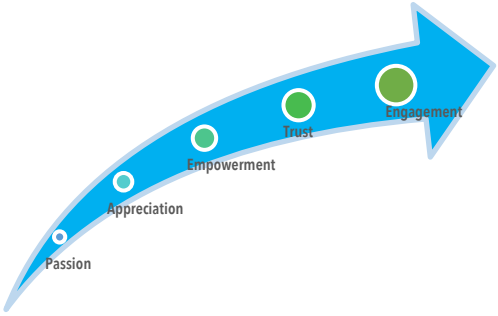
Conceptual thinking is set to gain significance, along with modelling capabilities and a talent for reducing complexity. However, within the entire value chain, human effort is valued in monetary terms and reduced to the minimum; thus, lifelong learning has become key.

Effectively attracting and retaining talent

1. In previous cards, the role of IT was addressed as well as the services in which IT must excel. The culture that must be cultivated within your organisation has also been discussed. Now, take some time to think about attracting people with the right skills or the right potential for making all of this happen.
2. Determine the IT domains in which you are lacking solid expertise, without naming the actual functions. For example, 'we have little expertise in the domain of artificial intelligence' rather than 'we have to hire a senior AI analyst'.
3. Identify the kind of talent you desire: do you need more thinkers or doers, functional or technical, managers or empathic leaders, problem-solvers, or rather theoretical thinkers?
4. Discuss the profiles you are lacking; for example, the quality of your technical analyses is problematic, so profiles with a strong analytical mindset and a solid technical background could circumvent that problem.
5. Engage with HR on the means that can be engaged to attract these profiles: 'How can we sell our ambitions and what renumeration package can you offer?' 'How do we position our company so that we figure on top of the list of eligible candidates?' 'What can we offer to prevent our current workforce and talent to begin looking for other opportunities?'

Decision	Which skillsets are lacking that are required to enable this?
Deliverable	Required skills and profile matrix, recruitment approach
Owner	IT manager per team, HR account for IT
Research	War for talent, Leading organisations
Related cards	P-1, D-1, D-4, O-2, O-4

priority 6



Fostering a positive culture

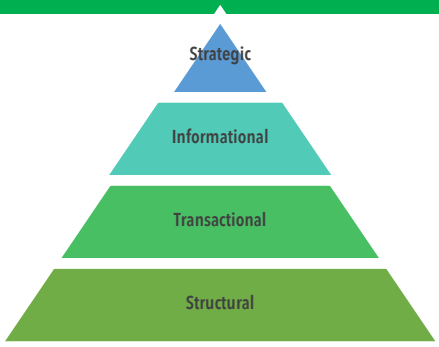
Creative thinking must be cultivated as a fundamental competency. Leaders must evolve their organisational culture to support and foster the creativity necessary to survive and thrive in these times of change and disruption. An entrepreneurial state-of-mind as is often present in start-ups and creates a dynamic that can also benefit larger organisations. Businesses appreciate digital leaders with a distinct set of skills: change agents, strong in building relationships, and influencing others to create buy-in and build trust.

Employees tend to look at their fit within the organisational culture when hunting for a new job. Success in the war for talent largely depends on the positive image and culture an organisation can display during the entire recruitment process. Motivated people appear to be more concerned about the result of their work and the eventual appreciation. Recognition is essential in cultivating a positive team spirit and must not be limited to quarterly individual reviews. Spurring bottom-up initiatives will create the engagement that is required to excel. A weakness does not disqualify a person, because harnessing talent is about underscoring people's strengths and matching them with the most suitable role.

Fostering a positive culture

1. Previous topics have clarified the direction in which the IT organisation must evolve. From these strategic choices, derive the culture that will not only support but, more importantly, enhance the organisation. Select three of the below workshop topics that will currently most affect the culture within your IT organisation:
   - Corporate culture
   - The role of IT (support, turn-around, factory, strategic mode)
   - Innovation and adoption of new technologies
   - Hiring and retention of talent
   - Quality issues
   - Services to excel at
   - IT agility
2. Discuss what cultural aspects are most suited to respond to your top three ranking:
   - Entrepreneurial and innovative mindset
   - Focus on quality
   - Can-do mentality
   - Team-before-me spirit
   - Assuming end-to-end responsibility
3. Turn these into the appropriate actions that will create the positive spirit that is envisaged. These must be fundamental and introduced across teams.

Decision	What type of culture will drive us forward?
Deliverable	Desired culture aspects + how to achieve
Owner	IT manager
Research	Culture champions, Ethical entrepreneurship
Related cards	O-2, O-3



IT asset investment strategy

The IT investment portfolio must be aligned with the IT and business strategy, so that it is able to contribute to the organisation's objectives. IT spending can be categorized into four categories, as depicted above, with each category having its own characteristics.

To a large extent, IT investments are spent on infrastructure, back-end systems, and applications that process transactions. These form the engine of IT and are at the basis of reliable and efficient IT services; however, they have little or no market differentiation capability.

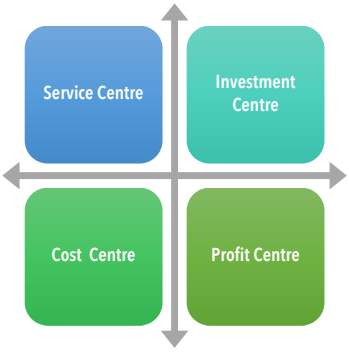
In the longer term, when evolving towards a strategic role for IT, spending must move up the value chain, with more means becoming available for informational and strategic initiatives rather than for infrastructure and transactional initiatives.

A pre-requisite for this evolution is that, first, both infrastructure and transactional asset classes are optimized so that the means become available for investing in informational and strategic initiatives instead, as these can lead to competitive advantages and increased sales. Moving means moving up the value chain, to the asset classes of the top of the pyramid; moreover, it involves a constant effort for smart investment and must lead to greater returns.

IT asset investment strategy

1. An increasing number of organisations are opting to outsource their infrastructure to public or private cloud infrastructure. This shift from self-owned infrastructure that is either purchased or leased towards rented solutions which are often on pay-per-use basis is shifting CAPEX to OPEX.
2. As executive management has an increasing need for systems that enable market differentiation and put them in a position of competitive advantage, more means must shift towards informational and strategic systems. Categorize each significant item of your budget as one of these four categories and attempt to come up with creative and intelligent suggestions to increase costs on the lower two, so these can be invested in the upper two instead.
3. A similar exercise can be performed based on the current application landscape. Label each application with one of these four asset categories and assess how these numbers per category relate to each other. An imbalance between the two bottom and two top categories may trigger application consolidation, cloud migration, and slimming down back-end applications by looking for SaaS opportunities.
4. This exercise must involve both enterprise and application architects as they 'own' the application landscape. The success of this exercise is determined by business participation, as they are the application owners from a business perspective.

Decision	N/A
Deliverable	Largest assets per category + applications per category
Owner	IT Governance manager
Research	ITIM, VAL IT
Related cards	P-1, D-4, V-3



Turning a cost centre into a profit centre

From a budgetary perspective, IT is often viewed as a cost centre which inherently focusses on cost reduction while ignoring the benefits it brings, both financial and other. With IT as a profit centre in mind, the IT costs are linked with the value they create, the increase in productivity, and the benefit of innovation.

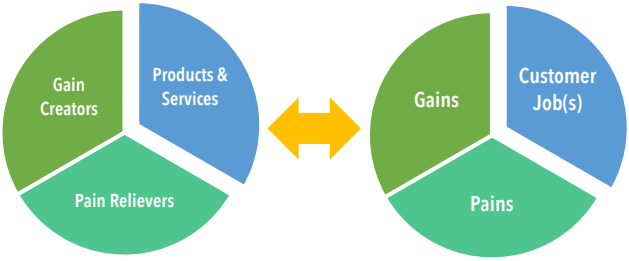
Breaking down spending per platform so that each cost can be attributed to a specific business capability and internally invoiced facilitates offsetting the costs against the value for each of the business capabilities. The value creation by introducing smart solutions (e.g. customer experience or for following up on customer loyalty) translate into profit and can no longer be considered as cost only. In addition, less financially performant capabilities become visible and can be given the right attention to turn them into profitable ones.

As such, those business capabilities for which IT creates profit can be measured and visualised. Technology budgets are likely to increase in the future, thereby forcing organisations to reduce traditional technology spending and look for funds outside the conventional IT budget, which is often provided by the organisational entity that acts as the sponsor.

Turning a cost centre into a profit centre

1. This topic must not be confused with cost reduction of some sort, which does not take into account potential benefits and value. Hence, the discussion must focus on how IT services can be valued beyond the costs that they entail as if you were to commercialize the service for external use and potential profit.
2. Instil a P&L mindset within IT by tracking both value and cost of improvements and compare costs with the increased productivity and the innovation IT brings.
3. There must be clear demarcations of the benefit that can be attributed to IT, so these are not solely attributed to business.
4. Discuss what mechanism and metrics can be used to allocate costs as well as benefits to individual services. Consult your finance department to be informed on the available options for internal invoicing, as this approach is not that common and often disputed by business departments that are reluctant regarding a transfer of IT-related budget to their own budget.

Decision	Does IT have to become a profit centre?
Deliverable	Cost allocation mechanism
Owner	CIO, Governance manager
Research	Zero-based costing, activity based costing
Related cards	G-5, V-3



Building a convincing value proposition

An IT strategy is best described in terms that are comprehensible to a non-IT audience, free of technical jargon and acronyms, as not every executive can be equally IT-literate. Therefore, it is recommended that the IT strategy concludes with a section that articulates the value proposition (VP) for its customers.

To avoid lengthy discussions on an executive level, it might be useful to zoom in on the VP first before presenting the entire strategy. Ultimately, from a business perspective, the value offered is what it boils down to and executives are less concerned with the more technology-oriented sections of an IT strategy.

A VP is terminology that is borrowed from marketing and expresses the value that a customer, internal and external, can expect from a product or service. Satisfied customers are at the basis of sustainable value creation. The VP describes the benefit in the customer's terms and language and avoids excessively complex explanations on the often technical nitty-gritty.

Bear in mind that the alleged benefits must be measurable and demonstrable even when these are less tangible, for example, 'improved customer experience'.

Building a convincing value proposition

1. Differentiate between IT customer segments and identify those groups or departments for whom IT services have the potential of delivering value.
2. Then, attempt to identify the value that clients obtain from IT's current service offering by interpreting both positive and negative customer feedback. The effectiveness of a VP highly depends on collecting customer and employee feedback.
3. Define the service mix that will be capable of leveraging the value experience with each identified target group. In other words, how can we improve our current services to increase value and what service are we currently lacking for this same purpose?
4. Assess the benefits of IT's service offering in the context of the value experience IT is able to deliver whilst bearing in mind that the experienced benefits for your customer are offset against cost and associated risks.
5. Optionally, you can consider alternative options that IT can provide for each of the VPs and compare all options based on the combination of benefit, cost, and risk.
6. Ensure that you are rather transparent on which stakeholders within your company will profit from these benefits of your VP.

Decision	N/A
Deliverable	Value proposition (canvas) per IT customer segment
Owner	Service delivery manager, IT product manager
Research	Value Proposition Canvas
Related cards	D-1, V-4

priority 7

Consolidation into a strategic portfolio

A strategic portfolio encompasses all investments that are required for executing the newly defined strategy and optimises its return, from investing in people to investing in advanced technologies. It can be a vehicle for innovation and technological breakthrough, thereby shaping the future of your organisation.

The collection of strategic choices for achieving the busines and IT mission, vision, and objectives constitutes a multi-year portfolio and will significantly impact the success of your organisation. It indicates where best to focus the organisation's finite resources in order to meet strategic objectives, considering the business as a portfolio of activities and making trade-offs across the portfolio. This involves making difficult choices of what not to do, freeing up resources to concentrate on fewer though more interesting activities which are better aligned with the strategic objectives.

The strategic portfolio also translates your strategy into financial data, including investments, costs, and associated gains related to its execution. Once validated, attention must turn to its execution and strategic performance monitoring with metrics that are consistent with the strategic objectives.

Consolidation into a strategic portfolio

1. Establishing the strategic portfolio consists of two essential aspects:
   - The consolidation of strategic decisions and initiatives into a single portfolio so that a global overview can be presented.
   - A financial overview of all investments and costs that are required to fund the strategy execution along with the expected benefits.
2. Assess major IT investments and costs that are required for executing this strategy. As this workshop is merely a first step towards a well-balanced strategic portfolio, do not be bothered with calculating the detailed costs and benefits at this stage. Ball-point figures must be refined after the workshops and included in the strategic portfolio when validated by finance and stakeholders.
3. Also include the personnel costs involved; thus, either calculate the cost of the entire IT workforce that is envisaged in the strategy or convert high-level effort estimations, expressed in person days, into the associated cost.
4. As benefits have been addressed several times during the respective topic discussions, include the major benefits, beginning with the financial benefits, such as expected growth in sales and cost reductions. Also include non-tangible benefits, such as increased brand recognition, improved customer satisfaction, risk mitigation, etc.

Decision	Portfolio to be vetted by executive management
Deliverable	Multi-year portfolio with initiatives, projects, and budget
Owner	CIO, IT portfolio manager
Research	IT Portfolio matrix, Balanced scorecards
Related cards	S-8, T-3, G-6, D-4

Pre-requisites for implementation

Defining a good strategy is one thing, and having it enacted upon is quite something else. Even the best defined strategy might become something close to a nightmare if the implementation is not thoroughly prepared. The risk of not getting the act together is that people might loose their confidence with resistance building up rather than fading away. A strategy comes at a cost and often requires guidance to overcome resistance and construct new teams and skills.

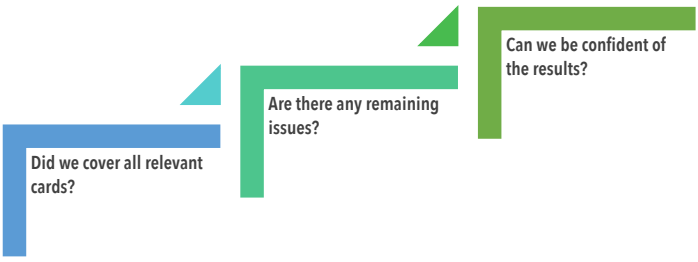
Further, a strategy cannot become effective overnight either; thus, a realistic timeline that is underwritten by all stakeholders is essential. Additional effort might be required from teams that are already fully booked or simply lack the desired skills. New methodologies and operating models cannot be introduced without some form of training and coaching and new processes require time and several rounds of adjustment before these become fully effective.

In order to succeed, this is as much a top-down as a bottom-up planning exercise. If not, it is possible that a few critical issues may not have been captured upfront and could undermine the strategy at the most inconvenient moment in time.

Pre-requisites for implementation

1. You are all set with your newly defined strategy. Now, it is time to identify what is required for its successful implementation:
   - What budget is required to fund the actual implementation of this strategy?
   - Do you have the skills to introduce the strategy or will you require external help?
   - Has executive management vetted your IT strategy?
   - Has middle management been informed of the impact?
   - Has this strategy been clearly communicated and understood by all IT employees?
   - How does the implementation break down in phases and milestones?
   - Are trade unions informed and social plans agreed upon?
   - Did you sufficiently capture the resistance to this change?
2. It is important to not merely tick-off some of these boxes but also ensure that all of these must be confirmed before the implementation can commence. Some of these questions might entail other questions, so be ready for a deep dive in each of these topics as these might have more to it than meets the eye.
3. Ask each concerned party to confirm that they have replied positively to your questions and a formal 'go' is given.

Decision	Are all conditions met for strategy implementation?
Deliverable	List of pre-requisites, Strategy communication plan
Owner	CIO, IT manager
Research	N/A
Related cards	N/A



Wrapping up

What must absolutely be avoided in a strategy is 'kicking the can down the road' until it is at a dead end. Pushing forward or even delaying issues that must be tackled now will burden future strategies with a very unpleasant heritage that will probably be even more difficult to overcome than when these would have been addressed in a timely manner. The mother of all excuses is 'we were not aware of this at the time so we did not address it'.

It is important to take some time now to contemplate all the strategy work that has been done thus far and ensure that you have addressed all that is hot and burning. Consider naming and describing these aspects even when some people around the table might feel a bit uncomfortable when these are brought up. Again, not discussing these now will only result in a boomerang coming right at you when you least expect it.

Moreover, it will create an unsatisfactory feeling knowing that the strategy is not 100% complete because the most painful discussions were avoided for fear of stepping on anyone's toes.

Keep this card for the end, have an honest discussion, and close off this workshop with a joyful event or celebration that will keep spirits high and people motivated. Good luck!

Wrapping up

1. This question is biting itself in the tail but worth asking nonetheless: 'What did we forget?' What did we not discuss or even avoided to discuss for numerous good reasons?
2. A last round-the-table hopefully reveals some of the issues that are still on people's minds but they were reluctant to speak freely on them.
3. Surely, this will not happen when the atmosphere is tense, so clarify that it is in everybody's interest that nothing important is left unspoken and what they say will not be held against people.
4. The moderator can begin first to break the ice and avoid the discussion from sliding into a plain yes-no argument, without anyone pointing fingers. The goal is the 'what' and not the 'who'.
5. Again, ensure these are structural issues, worthy of a strategic discussion and not merely ordinary flaws or conflicts.
6. For each of the topics that are commonly confirmed to be sufficiently important for a strategic discussion, focus on the solution instead of the problem. Consider different options from different angles and bear in mind that people have different perspectives on a single problem depending on their specific situation.
7. There is no such thing as a free lunch, so bite this last one through till the end and you will enjoy reaping the benefits soon.

Decision	Agreement on completeness of the strategy
Deliverable	Final IT strategy document + a celebration event
Owner	CIO
Research	N/A
Related cards	All

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