

Are you letting planning kill strategy?

In my experience many CIOs are so focused on planning and implementation that they neglect strategy.

At a retail client of mine, for example, the IT director's "strategy" was simply a resource-planning document that set out budgets, project days and milestones for each IT agreed project. What was missing, however, were compelling ideas for how technology and information could transform the future success of the business.

A strategy sets direction and creates a framework for guiding future decisions and actions that enable an organisation to deliver superior performance. A plan, on the other hand, focuses on how you allocate critical resources over a period of time to achieve agreed performance targets.

Both are important, but they are different. Critically, it is strategy development, not planning, that generates the insights and ideas that can propel your business forwards. Indeed, while the currency of plans is budgets, the currency of strategy is ideas.

Nobody understands the technology opportunities for your business as well as you. Consequently, as CIO you should have a significant role to play in the development of your organisation's strategy, and not just its execution.

Here are five questions you can ask yourself, your team and your colleagues to shift your focus from planning to strategy:

What is the 'next big thing' in your industry? When Steve Jobs returned to the troubled Apple business in the late 1990s he was asked about his strategy. "I'm waiting for the next big thing," he replied. For Jobs and Apple, the next big thing was the iPod and iTunes. What is it for your markets?

What key customer needs are likely to remain important over the next 5-10 years, and how can technology improve your ability to meet those needs? Amazon.com, for example, have focused its innovation on three key needs: greater range and choice (e.g. new categories, such as health and beauty, and DIY); lower prices (e.g. Amazon Marketplace); and faster responsiveness (e.g. Kindle).

How could technology enable your business to enter and succeed in adjacent markets? For instance, the clothing and homewares retailer, Next, has decided to focus its international expansion through its web-based business, rather than building physical store chains, for instance, and UPS's technologies and know-how in mail delivery has enabled it to also build a sizeable supply chain management business.

What technological innovations can you see in other markets and industries that could give your organisation a competitive advantage? Admiral Insurance took the idea of price comparison websites and launched its own home and car insurance comparison website, Confused.com, which not only sells Admiral's insurance products but also those of its rivals.

Where is your business competitively disadvantaged, and how could technology address this weakness? A consumer goods client of mine, for example, reduced its relatively high cost base by moving from having sales representatives visiting their independent retailers, to a new, more efficient telesales team.

© Stuart Cross 2011. All rights reserved.