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FOREWORD

IT strategy is a tough nut to crack. But great IT strategies change the value potential of the IT organization, and the perceptions of IT held by the rest of the business.

Most CIOs recognize that IT strategy is one of their key responsibilities. Yet while many of them believe they have effective IT operations, few would claim to have great IT strategies. This report addresses the question, *What do great IT strategies look like?*

“IT Strategy: A CIO Success Kit” was written by members of the Gartner CIO research team, led by Dave Aron (vice president and research director).

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EXECUTIVE SUMMARY

Most IT strategies focus on providing efficient and effective IT services. Great IT strategies focus on how IT will help the business win.

Strategy sets the potential business value of IT

Strategy is both much simpler and much harder than most people realize. It is simply about achieving clarity on how the enterprise will win and what capabilities it needs to win. The word “win” may sound competitive, but it holds equally for the public sector; it is about achieving your goals.

IT strategy is about how IT will help the enterprise win. This breaks down into IT guiding the business strategy, and IT delivering on the business strategy. Although some or all tasks involved in creating the IT strategy may be separate, and there are normally separate documents, IT strategy is an integral part of the business strategy—not something separate that is “aligned” with business strategy.

There are four key documents that form the core of IT strategy: a one- to two-page board summary, a 15- to 20-page strategy document, an IT strategic plan and an IT operating plan. The key is to be clear about why you are writing the IT strategy, and then to create brief, business-success-focused documents that are later leveraged into specific communications for different stakeholders and events.

A great strategy is brief, complete and focused on business success

The IT strategy should contain sections on demand, control and supply, as shown in the figure opposite.

The demand section clarifies the business context, how the business will win, what business capabilities are needed and how IT will contribute to that success. The control section outlines the mechanisms for making the strategy come to life, including principles, governance, financial management and metrics. The supply section details which services will and won't be provided, how the enterprise architecture will migrate to support the required business capabilities, the development of human capital to meet business needs, and the strategic approach to sourcing.

Details of projects and programs should be left to the strategic plan; and details of financial, technical and human assets should be left to the operating plan.

“I saw resemblances between 7-Eleven’s franchise model and our relationship with insurance agents. I visited their CIO and brought him in to talk to us.”

HIROSHI YOKOTSUKA
MEMBER OF THE BOARD AND CIO
Tokio Marine & Nichido Fire Insurance

“Conventional strategic planning is similar to a funeral for a head of state. It is infrequent, requires very powerful people to come together and be miserable, and the end result is buried and quickly forgotten.”

ANONYMOUS

Use advanced practices to supercharge and activate your strategy

Many IT strategies are conventional and boring to read, with the strategy process becoming an uninspiring box-ticking exercise. Use the following three techniques to avoid this:

1. When constructing your IT strategy, don’t think incrementally about last year’s strategy, or even about the obvious needs of your business. Think about the underlying business model, other businesses with a similar model, and what you can learn and apply from them. Consider bringing in CIOs, CEOs or experts from those businesses to educate and advise you.
2. Envisage strategy not only as a periodic project with documents as outcomes, but as an ongoing conversation in the enterprise. As such, invest in strategy moments: frequent communications about strategy embedded in all meetings.
3. When constructing communications about strategy, consider using unconventional styles, media and channels to make them more engaging. Examples include stories with a strong narrative flow, metaphors that simplify concepts, and visual communications such as video and animation. This approach may sound secondary to the concepts behind strategy, but it is equally important in terms of getting the enterprise to act strategically.

