

Key Questions That Government IT Strategic Plans Should Address

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CIOs should ensure that IT strategies provide clear answers to elected officials and program executives to six key questions. Otherwise, IT strategic plans are at high risk of ending up as "shelfware" used primarily for satisfying legal mandates and passing funding compliance hurdles.

ANALYSIS

Communicating IT strategy effectively remains a critical key to success. In government, typical two- to five-year IT strategies must recognize political leadership turnover, and often, the absence of complete participation by important internal and external stakeholders is a reality. Accordingly, of paramount importance is a crisp, succinct discussion of the "what and how" of the IT strategy in terms that political and business-line executives can decipher, support, champion and co-own. We suggest that government CIOs and their staff consider the following six questions when evaluating the quality of their strategic planning documents and their ability to successfully communicate IT goals, objectives and results.

Question 1: Does the IT Strategy Substantiate Mutually Owned Expectations Developed by All Stakeholders?

Are the target audiences for the IT strategic plan clearly defined? Does it effectively communicate and corroborate with those different stakeholders the essence of what information management and technology investments are expected to accomplish?

Many IT strategic plans we review for our public-sector clients fall at two ends of a "specificity spectrum." At one end are those written with broad goals that emphasize the criticality of IT to the success of the organization. There may or may not be specific linkages to the current political agenda. Details about what exactly will be done, how and when it will occur, and expected performance improvements or public-value results are typically missing. At the other end of the spectrum, we see plans that are tailored for system engineers, network administrators, information architects and application developers. These plans can resemble laundry lists of proposed technology spending plans. While perhaps an accurate plan of action delineating spending needs, it provides little insight for nontechnology stakeholders into how the investments are linked to any business or program improvement goals or priorities. This spending and technology view is necessary, but not essential for those outside of IT.

As such, the strategic plan may need a cogent, stand-alone executive summary targeted for elected officials and nontechnology executives who must bless the strategy, agree to its resources and feel comfortable being held accountable for the programs and policies it supports. The executive summary can also be effective with citizens and businesses that interact with government as recipients of services, regulatory oversight, measures or perhaps sellers. The focus is on how IT investments support performance expectations on the policymaking, program implementation, or internal business operations of the agency. A second, more tactical version of the plan is essential for stakeholders with a need for greater precision and details (line-of-business owners, business process managers, budget and oversight analysts and managers, and perhaps even the audit community reviewing it for adherence to laws, policies, and best practices).

As an example of effective IT linkage to critical mission areas, the U.S. Federal Deposit Insurance Corp. (FDIC) IT Strategic Plan 2004-2007 (www.fdic.gov/about/strategic/it_plan/strategy.html) provides the strategic business or mission goal, strategic objectives, 2004 annual performance goals, and IT support for the insurance program. Of particular note is how the strategic business goal and its associated objectives and performance goals are aligned to specific business-capability-building IT initiatives. Of course, technology decisions can be equally influenced by market trends and technology directions, and these should be factored into the plan as well, perhaps as a response to specific technology drivers influencing the direction of the strategic plan in general (see "How E-Government and IT Strategies Relate to Each Other").

Question 2: Are Critical Drivers Influencing the Direction of the IT Strategy Accounted For?

What are the primary environmental (political, economic, performance improvement and so on) drivers influencing the directions being proposed by the IT strategic plan?

IT investment directions cannot be decided in a vacuum that just consider the latest market directions or new software capabilities. Often, what seems like political and business-side support for IT is merely a statement — not a real commitment. CIOs should not mistake a lukewarm verbal okay from political leaders, senior program executives and frontline IT users as a solid mandate to make it happen. Environmental variables usually drive the "tone" of the strategy and exert pressures that IT must respond to in a proactive manner (see Note 1 for examples of common drivers). Some useful examples include Boston University Metropolitan University (csmet.bu.edu/IT/MET%20IT%20SP-2-12-06.pdf) from higher education and California (www.cio.ca.gov/pdfs/IT_Strategic_Plan_R2.pdf). Both plans illustrate how business drivers directly affect the proposed IT strategies.

Acknowledging the importance and impact of political, economic, budget, workforce and technology drivers reinforces value cases being made for IT investment and spending. It can demonstrate that CIOs are not captured by "IT silo-think," are conscious of the dynamic and changing future affecting the agency or department, and can link IT to organizational pressure or pain points, and that IT can be responsive to the "demand" side for IT services.

Question 3: Is the IT Investment Direction and Alignment With Business/Mission Needs and Priorities Made Explicitly Clear?

Does the plan amply demonstrate how the proposed technology investment direction and major projects are connected with expected government business needs and priorities? Does the proposed IT strategy map to a governmentwide, agency- or mission-specific strategic plan?

To be credible, IT plans must connect to governmentwide and agency-specific business strategies. Specifically, the plan must address how IT will contribute to performance improvements, cost reduction, productivity gains, higher citizen value and satisfaction, and perhaps even the accomplishment of policy goals and objectives. For example, in Michigan, the 2006 IT Strategic Plan ("From Vision to Action"; http://www.michigan.gov/documents/2006_Michigan_IT_Strategic_Plan_145036_7.pdf) outlines six gubernatorial priority issues (in education, better government, hometown security, environment, economy and healthcare) that are used to drive government actions. The governor's six priority areas serve as the foundation for Michigan's IT strategic plan and present actionable steps that drive how the Michigan Department of Information Technology (MDIT) manages and delivers the state's IT resources. The IT strategic plan establishes its own five goals that are supported by 117 IT initiatives in the IT investment strategy. In the plan, a traceability matrix links the IT goals, objectives and expected performance outcomes to each of the state's six priority issues.

There are cases where no strategic mission/business plan exists, one exists but is very outdated, or it exists but confidence in the commitment and use of the strategy is highly suspect. In these cases, IT can act as a catalyst, and do some exploratory work with the business side to begin to flesh out a business strategy or assume business strategy priorities in the IT plan gleaned from existing documents and IT planning process discussions with stakeholders.

Question 4: Is the IT Strategic Plan Client-Centric?

Does the strategy make it clear how it is responding to external client (citizens, businesses, other governments) and internal client (state government workforce, program managers and so on) needs, expectations and demands?

Sometimes, IT strategic plans fail to portray how investment directions are helping satisfy the acute demands of internal and external clients. IT can help make the internal workforce more productive, moving it away from lower-value data collection, aggregation and reporting activities toward effective customer service, and problem resolution and improved program management and controls. Similarly, it can also improve external client service delivery channels by simplifying interactions such as citizens applying for eligible benefits and assistance, streamlining business regulatory information submissions, shortening transaction times for fees, taxes, and commodity sales to government. These are tangible and often very measurable client demands/priorities that should be documented in summary fashion in the plan itself or expanded on in a supporting appendix.

When IT can make these kinds of connections to customer needs, it sharpens an understanding of the central role it is playing in delivering better outcomes and results, and is seen as an enabler or "means," rather than an "end" to itself. It also helps avoid making information management and technology decisions based solely on technical issues. When technology is performing poorly, it has a very visible impact on operations and decision making; when it performs well, customers who benefit from it see how it is contributing to improved results for them.

To be credible, the IT strategic plan needs to establish a road map of how and when client results will be achieved over the time frame of the plan. In Minnesota, an "as-is" state for technology and business processes in the executive branch was produced in a collaborative environment (www.state.mn.us/mn/externalDocs/Excellence/Transformation_Roadmap_032805013545_Roadmapfullversion.pdf). More than 465 initial transformation ideas were identified based on data gathered from surveys and interviews, as well as ideas submitted. The initiatives, organized by business transformation area, are plotted out in the strategic plan, with start and ending dates during the plan's five-year time horizon. This quickly communicates priorities and differentiates longer-term, multiyear transformational projects from shorter ones.

Question 5: Does the IT Plan Contain Performance Measures That Can Gauge Progress and Success?

How will you know if the plan is successful or not? For major resource commitments being made in the plan, are performance measures or indicators present that are defined in result-oriented (not activity) terms? Have affected stakeholders been involved in creating these measures?

IT strategic plans are incomplete unless they contain performance measures used to track status and progress against stated goals and objectives, not specific project outcomes. These measures should articulate how IT is contributing toward expected changes in operational efficiencies (time, cost, productivity), citizen/customer satisfaction (service delivery quality, decisional cycle times) or public-policy improvements (information access, outreach and awareness, narrowing digital divide, and so on). Often, when the IT organization does report on performance, it reports on internal IT functions, which are generally not actionable by business management. There are many performance requirements in the IT organization beyond internal cost reduction (see Note 2).

To illustrate with just a few examples, in the 2005 Texas Strategic Plan for Information Resources Management, specific benefits are listed for each of the nine IT strategy areas addressing statewide IT infrastructure consolidation and enhanced collaboration

(www.dir.state.tx.us/pubs/ssp2005/ssp2005.pdf). Similarly, in Australia, the New South Wales Government's 2004-2007 Information Strategic Plan specifies how IT activities contribute toward frontline service improvements, customer service improvements and information communication technology (ICT) cost savings (www.gcio.nsw.gov.au/docs.asp?CAT=2066). Finally, Michigan's 2004-2007 IT strategic plan also includes a wide range of specific measures associated with each of its IT goals and objectives — such as "broadband services available to more than 70% of Michigan citizens and businesses by 2007"; "90% of all intrusions and viruses repairable within two hours"; and "reduction from six weeks for a Michigan small business to register and pay unemployment taxes to 24 hours or less." These are specifically reported on in a separate appendix to the state IT plan (www.michigan.gov/documents/AppendixC_149543_7.pdf).

Question 6: Does the Plan Outline the Governance Process to Execute the Strategic Planning Process and Approved IT Investment Decisions?

How will you manage the implementation of the strategic plan and the decisions it requires? How does the plan distinguish between IT goals and objectives focused on enterprisewide needs, problems and opportunities (for example, data center consolidation, enterprise application licensing and common administrative applications) versus those that address specific business/program/office/unit needs and priorities?

A fundamental weakness with many strategic plans is that they are not used to guide actual IT resource allocation decisions in the agency budget process. Additionally, they may not be used to monitor overall IT performance and results (for example, linked to a CIO or IT balanced scorecard). IT governance processes are essential for bringing IT strategies to life, much like IT portfolio management helps bring enterprise architecture to life (see "IT Governance in Government Agencies: Frequently Asked Questions" and "Integrating Enterprise Architecture and Portfolio Management Processes in Government"). Governance must be used to achieve greater accountability and responsibility for results (see Note 3).

For an example of an IT strategic plan that outlines the role of the governance process in achieving IT strategic goals and outcomes, Australia's New South Wales Government's "People First" ICT plan specifies the governance structure, roles and responsibilities (executive level, central government level and agency level) used to develop, execute and oversee the IT strategy (www.gcio.nsw.gov.au/docs.asp?CAT=2066).

RECOMMENDED READING

"How to Navigate Gartner's IT Strategy Research"

"IT Governance in Government Agencies: Frequently Asked Questions"

"How to Run an IT Strategy Self-Assessment Workshop"

"Find the 'Sweet Spot' for IT Governance, Strategy and Value"

"How to Transform and Manage Real IT Strategies"

"Case Studies Reveal Ways to Achieve Effective IT Organizational Communications"

Note 1 Influential Contextual Drivers

For example, contextual drivers influencing IT investment directions can be in the form of:

- Budget pressures or fiscal constraints that may dictate clear "return on investment" or cost savings from IT spending.
- Inefficiencies or ineffectiveness in program service deliveries highlighted by internal reviews, consulting engagements, audits or "investigative" reporting in trade journals and newspapers might exert pressures.
- Political desires to move citizen and business services to the Internet for convenience, better access and functional efficiencies may be at the forefront of IT needs.
- Technology market trends and industry standards directions that are influencing existing and future infrastructure, utility and application enhancement options.
- Reliability of crisis management in response to natural disasters (such as floods, hurricanes and earthquakes), widespread health threats (for example, bioterrorism or avian flu) or terrorist-related events (such as disruptions to power, transportation and water supplies, as well as dirty-bomb fallout).
- Declining workforce size and composition that require greater productivity.
- Uniformity in service delivery across geographically dispersed constituencies.

Note 2

Evaluation and Prioritization

Few governments have developed systematic approaches or processes for evaluating business cases and prioritizing investment decisions. This results in many ad hoc decisions in which it isn't clear what government policy priorities are being addressed, how different projects interact or whether resources are being directed to the most compelling performance improvement problems. Because many decisions made in the budget process are political rather than financial and involve other perceived social policy needs, it makes sense to develop an evaluation process in which nonfinancial variables surrounding the public value of IT are taken into consideration (see "How to Measure the Public Value of IT" and "Governments Make Progress in Demonstrating Public Value of IT").

Note 3

Using IT Governance

IT governance, specifically, should be used to:

- Improve accountability (IT and business) for results
- Strengthen IT/business unit working relationships
- Reduce operational risks/inefficiencies
- Enrich IT service quality and effectiveness
- Attend to statutory/legal mandates necessary for funding approval and credibility (which can lead to less-onerous oversight)
- Focus IT spending on business drivers, value, needs and priorities
- Avoid problems or project overruns/failures stemming from false starts, scope creep or reactive re-prioritization

- Lead to lower IT complexity and greater enterprise systems integration
- Give rise to a more effective IT strategic planning process

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