

# IT strategy made simple

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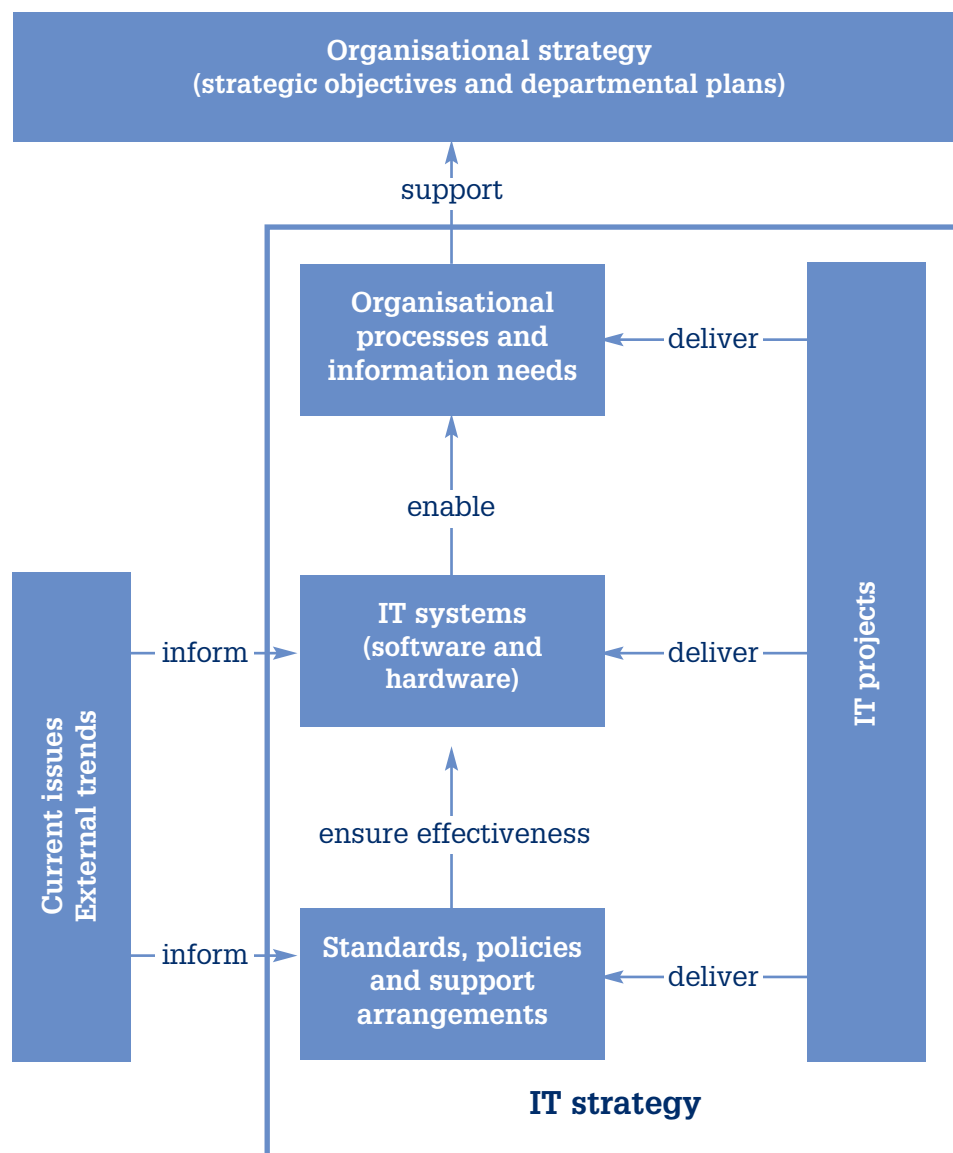
# What is an IT strategy?

Confusingly, the term 'IT' has come to mean different things to different people. It's not surprising then that what people mean by an 'IT strategy' varies considerably. Ideally, an IT strategy should be written in a way that can be understood by general managers, staff and other key stakeholders in your charity, and should document decisions in four areas:

- 1** The key organisational processes and information needs that your IT systems need to support.
- 2** The main IT systems required to support these activities, including:
  - computer equipment: servers, desktops, laptops and communications systems
  - operating system software: for servers, desktops and laptops, for example Windows XP, Vista, Mac OS or Linux
  - application software: to support the specific activities of your charity, for example finance, HR, databases, word processing and other office automation packages.
- 3** The technology standards, policies, and support arrangements that the charity needs in order to use the IT systems effectively, for example:
  - Will you buy standard packaged software or build your own systems?
  - What levels of IT service do you need? Do any applications need to be supported 24 hours a day, seven days a week?
  - Which IT services and support will you outsource to third parties? What resources and skills do you need in your in-house IT team?
  - What are your standards for equipment and software, and what are your policies for replacement and upgrade?
  - Are there areas where you are happy to take risks with new technology in order to gain advantage? Are there areas where it is important that IT is kept 'safe'?
  - How will you manage IT projects, and who will manage them?
- 4** The projects that the charity will carry out to make all this happen.

An IT strategy should be a natural extension of your charity's strategy, and will focus on helping you to deliver your organisation's strategic objectives and departmental plans.

The key elements of an IT strategy and their relationships are illustrated below. In the end, the test of a good IT strategy is whether it helps managers, staff and others achieve the charity's aims more efficiently and more effectively. Therefore, you should be prepared to adapt the suggestions in this guide as you see fit, and above all use your judgement to focus your attention on the areas that are of most value to your organisation.



# Why do you need an IT strategy?

It is, of course, possible for an organisation to operate without a clear IT strategy – and many do. However, the absence of a strategic framework means that investment decisions about IT have to be made on their own merits and usually in relation to just one part of the organisation. In the long run, ad hoc decision-making is expensive. Inconsistency leads to inefficiency and frustration and, before long, IT becomes an obstacle to achieving the aims of the organisation rather than one of the most powerful resources at its disposal.

By contrast, a clear IT strategy enables an organisation to make appropriate, cost-effective decisions about IT.

## **When is the right time to produce an IT strategy?**

In terms of when to think about all this, there is no particular right or wrong time – though there are circumstances which make it easier and more likely that the outcome will be successful.

Generally, producing an IT strategy is more straightforward if:

- your corporate strategy and priorities are already clear and understood by the managers, staff and other stakeholders who will need to take part;
- the stakeholders who need to be involved will have time to focus on the IT strategy and will not be significantly distracted by other projects or programmes of work going on at the same time;
- the senior managers in your charity are supportive and will actively encourage staff and colleagues to take part as necessary.

# How do you write an IT strategy?

There are four main steps to producing a successful IT strategy:

**Step 1** Planning and preparation

**Step 2** Understanding your organisation's IT needs

**Step 3** Exploring options and making decisions

**Step 4** Putting it into action

# step 1

## Planning and preparation

The development of an IT strategy is a project in its own right and you need to approach it that way. Here are some of the things you should consider in planning for your IT strategy project:

- **Scope** Usually, you will want the IT strategy to cover all of your charity's activities, but if there are areas that you want to exclude for any reason it is important to be clear about that at the outset.
- **Governance** As a minimum you should identify a senior manager in the organisation who will sponsor and promote the work, and consider setting up a steering group to help manage it.
- **Resources** Analysing your charity's requirements and working out your best options will take time (time well spent, of course!), and you need to allocate appropriate resources to each stage of the work from the outset.
- **Communication and involvement** Whatever the outcomes in terms of technology, your IT strategy will really be about organisational change. Think carefully about how you will keep people informed and involved before you start.

### Who needs to be involved?

At a practical level, you need to make sure that someone is managing the development of the IT strategy and that there is the necessary level of support from your charity's senior management team.

Beyond this, you should decide who you want to involve directly because they have information or influence which will affect the success of the strategy, and who you only need to keep informed about progress. As well as staff, you might consider involving trustees, volunteers, members, partner organisations and suppliers.

Remember that, once the IT strategy has been defined, it needs to be implemented and the inevitable organisational change is more likely to be successful if those affected are appropriately involved at the start. Good internal communication is therefore important at all times and, depending on the culture of your charity, it may be necessary to provide for a wide range of participation.

# step 2

“ A complete business strategy includes an IT strategy. The problem is that many IT strategies just concentrate on how IT will deliver applications or architecture. These strategies often do not define how IT contributes to enterprise advantage. That's the needed missing piece. ”

Completing the IT strategy –  
Gartner 2004

## Understanding your organisation's IT needs

Your IT strategy should be rooted in the aims, objectives and priorities of the charity. The starting point here should be your charity's organisational strategy and individual departmental plans.

In addition, you need to think about what you do already – the strengths and weaknesses in current IT provision. In doing this, you'll need to consider inventories of equipment and software as well as service and support agreements with third parties. You will want to look at the outcomes from any previous IT reviews, and any feedback you have from users of the IT services.

A review of these key sources of information should allow you to identify where IT might be able to support new organisational activities and requirements for information, or where improvements to existing IT systems and services are necessary. However, you will want to validate and prioritise the list you produce with views from individual stakeholders. Workshops are very effective for this, although you could also use questionnaires or 1:1 meetings.

The aim by the end of this stage is to reach agreement among stakeholders about where IT can best support the aims and objectives of your charity. However, depending on the individuals and groups involved, you may be able to go further and establish:

- the measurable benefits – qualitative as well as quantifiable – which the charity could expect to see;
- how specific individuals and groups could expect to see the benefits realised and how the benefits could be measured;
- the risks to the organisation in introducing change and what the possible counter-measures might be.

### Why are benefits important?

A clear understanding of the specific organisational benefits that your charity wishes to get from its IT investment can help to:

- clarify the business case for investment – benefits need to be balanced against costs when making a decision as to whether to proceed with any proposed IT projects;
- build buy-in to any proposed organisational change;
- inform more detailed decision-making when implementing the strategy;
- reduce the likelihood of misunderstandings or conflicting priorities surfacing at a later date.

# step 3

## Exploring options and making decisions

Once you have identified and prioritised your IT needs, you can move on to make decisions about how they will be met. There are three parts to this, although in reality you may need to work iteratively:

- Exploring options
- Making decisions
- Prioritising investment

### Exploring options

In order to make good decisions, it is important to identify and explore a range of options before proceeding. There are many approaches to doing this, and you will probably want to use a combination. Two examples are raising awareness and seeking advice.

**Raising awareness** You can arrange for stakeholders and decision-makers to see some practical examples of systems. Ways to achieve this, particularly in the case of application software, include:

- visiting other organisations
- attending conferences and exhibitions
- meeting potential suppliers
- reading publications and magazines
- searching for information on the internet

**Seeking advice** If some of the technology options are going to be new to your charity or where any change is likely to put key activities at risk, you may consider getting advice. Again there are a number of sources, including:

- internal expertise from staff, trustees and others
- colleagues at other charities who have implemented similar systems
- industry experts

### Making decisions

Having done your research, the options you choose for your organisation need to be guided by a range of criteria, including:

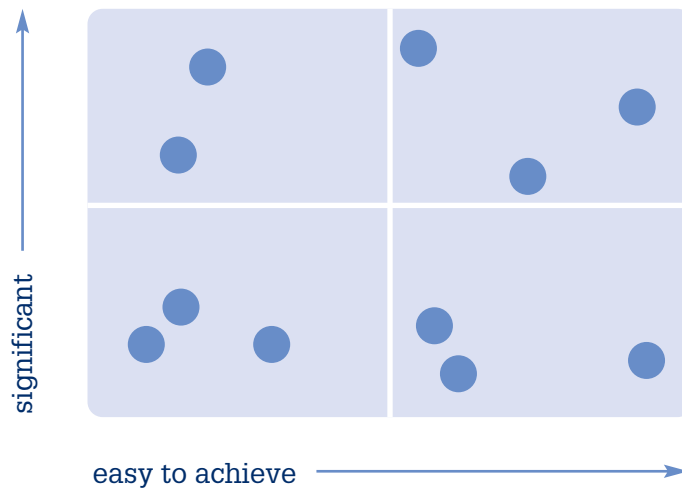
- the extent to which they support the needs you identified
- indicative costs
- time and effort required to implement
- technical complexity and risk
- demands on staff time and energy
- fit with organisational culture

At this stage, you do not have to make final decisions about all aspects of your IT systems, particularly in relation to application software. For example, you might decide that you will purchase a new off-the-shelf HR system, but leave the exact decision as to which supplier to use until you have completed more detailed analysis of your requirements as part of a later project. However, you need to do enough work to be reasonably confident that suitable systems exist within your available budget.

### **Prioritising investment**

In step 2 you prioritised your charity's IT needs in terms of their significance for achieving the organisation's goals. Your research into options should now have given you a good understanding of how easy or difficult it will be to meet those needs.

You should use both of these factors to decide your charity's actual investment priorities for IT (both money and time), in particular the order in which you prioritise competing IT projects. You could use a matrix like the one below to distinguish between those activities where the benefits from IT would be 'significant', 'easy to achieve' or 'both'. Of course, you will generally want to prioritise work that falls into the 'both' category!



# step 4

**“ IT's strategic plan is an essential tool to run IT like a business. The strategic plan for today's IT is different from the strategic plans that IT may have developed five years ago. It is purpose-driven and a complement to IT governance structures and processes. The structure and content are tailored to this purpose, avoiding the sprawling documents that tried to cover every possible input and aspect of IT strategy. And today's plan must be a living plan, with regular review and updating, thereby providing long-term direction while maintaining relevancy. ”**

Forrester Research 2006 –  
Creating the Strategic Plan  
for Today's IT

## Putting it into action

You will want to share the strategy, as appropriate, internally and perhaps externally, and so you should aim to produce a document which sets out:

- the audience for the IT strategy and how you intend that the document should be used;
- a description of the information systems and technology currently in place in the charity;
- your charity's IT needs – new organisational activities and requirements for information that will rely on IT, and any areas where improvements to existing IT are necessary;
- the decisions you have taken about how you will meet those needs, and the rationale for your chosen approach, covering IT systems, technology standards, policies, and support;
- a schedule of the projects and other activities you have prioritised for delivering the IT strategy, with timeframes for their implementation.

In addition to publishing the strategy as a document in its own right, you should aim to embed it in your charity's wider planning and budgeting by:

- ensuring that the IT strategy and its implications are incorporated explicitly in ongoing organisational and departmental planning;
- refreshing the IT strategy at regular intervals;
- monitoring the implementation of the strategy and measuring the expected benefits.

# Conclusion

A clear IT strategy can bring enormous benefit. Information technology which is appropriately matched to your charity's needs will support and strengthen your activities and help you achieve your aims more efficiently and effectively.

Any charity can produce a good strategy for IT by following a simple four-step process:

- Plan and prepare before you start
- Identify what your organisation needs from IT
- Explore the options for meeting those needs, and choose the most appropriate
- Communicate and embed the strategy in the work of your charity.

## Further information

**LASA** ICT knowledgebase

[www.ictknowledgebase.org.uk/index.php?id=home](http://www.ictknowledgebase.org.uk/index.php?id=home)

**Techsoup** Technology planning

[www.techsoup.org/learningcenter/techplan/index.cfm](http://www.techsoup.org/learningcenter/techplan/index.cfm)

**CITRA** Charity IT Resource Alliance

[www.citra.org.uk](http://www.citra.org.uk)

**NCVO** ICT Development website

[www.ictHub.org.uk](http://www.ictHub.org.uk)