



## ICT strategies and roadmaps

- ICT strategy and roadmaps ensure that ICT is fully aligned with business strategy and collaborates with business in a goal-oriented manner by sharing common priorities
- ICT and business strategy interlock ensures that new technologies are leveraged to identify new strategic opportunities for the entire organization
- ICT management without strategies and roadmaps can be drifting (instead of being in the driver's seat with a solid strategy)
- Strategy and roadmap creation / implementation is a continuous process instead of a one-time activity
- There is no uniform formula and template for strategies and roadmaps: even though proven processes and structures should be used as starting point, a modular approach including some tailoring is recommended
- For strategy definition formal (yet agile) process is essential: incorrect assumptions and targets not supported by all stakeholders can have a major negative impact on the overall performance of an enterprise

### ICT strategy defined

An ICT strategy defines how ICT will create value to business and enable achieving strategic business objectives. It also ensures that business and ICT capabilities are aligned – instead of just designing ICT to address business requirements and setting a direction for the ICT function as a part of an enterprise. Having an ICT strategy can be a mandatory compliance requirement in a regulated environment, such as the public sector.

ICT strategies should be developed and refreshed in an iterative manner. This includes having regular checkpoints and observing the changes that take place in the operating environment.

An ICT strategy is also the foundation for all ICT transformations and sets the standards for "ICT health". Therefore, it can be used as a reference when assessing the current status of ICT capabilities. As a deliverable, an ICT strategy should be readable and understood by both business and ICT organizations.



Factors that influence ICT strategies and roadmaps

### Roadmaps defined

Roadmaps are used as the execution plans for an ICT strategy. They also validate that the strategic targets are realistic in the given timeframe. Roadmaps describe key development work entities and transformations which are based on the objectives and principles described in business and ICT strategies.

Roadmaps can have different timeframes and levels of granularity – from detailed plans for the next 1-2 years to high-level views for years 3-5 and onwards. Roadmap deliverables typically consist of the following:

- Timeline (scale from quarterly to annual depending on items to be described).
- Major development items (for example, ERP renewal program).
- Milestones and phasing.
- Dependencies.

In addition to visual Gantt charts, roadmaps may include the following brief descriptions of work entities, business benefits and high-level work estimates.

## Do we need several levels of strategies?

### Business and ICT strategy as one entity – is it possible?

Ideally, it is possible to combine business and ICT strategies. This would require the company and its operating environment to be highly digital. However, in most industries, it still makes sense to have separate business and ICT strategies. This is the case in manufacturing companies, for example, as both physical production infrastructure and ICT capabilities are required to run everyday operations.

### Separate digital strategies – are they required?

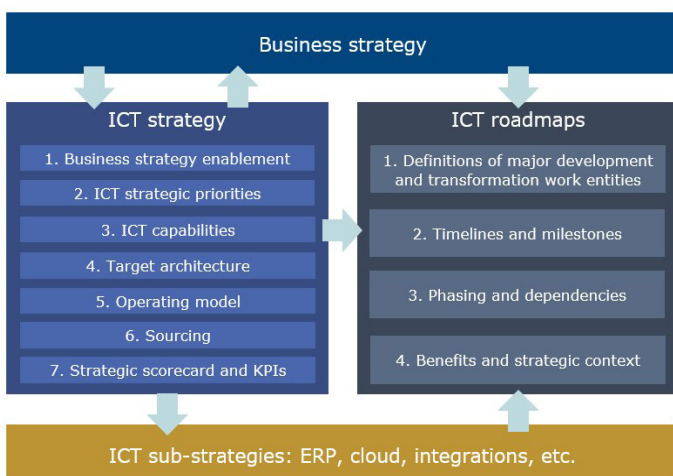
In general, separate digitalization strategies should be avoided. Midagon’s recommendation is to define strategic priorities for digitalization both in the business and ICT strategy. These could include topics such as production digitalization or setting up digital sales channels. However, if a company is just about to start its digitalization journey, it may make sense to have a separate strategy to clarify the definition, objectives and business benefits of digitalization. This should not be a permanent approach.

### Does an ICT strategy require sub-strategies?

In large enterprises, it may make sense to have ICT sub-strategies for selected areas, for example, data, ERP, cloud platforms or integrations. However, it is important to align the sub-strategies with overall business and ICT strategies.

## ICT strategy – Midagon’s modular approach

Strategy development work should be broken down into prioritized pieces. Content elements should be prioritized and some may be described on higher level in the initial version of strategy. Sub-strategies are not mandatory.

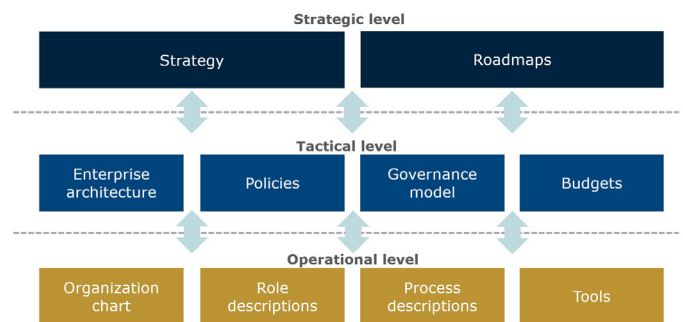


ICT strategies and roadmaps must always be aligned with the business strategy. A business strategy can also be influenced by new ICT capabilities, such as production digitalization.

One of the core objectives of an ICT strategy is to explain how ICT enables the achievement of strategic business targets and what the additional ICT priorities and underlying capabilities (items 1-3 of the following image) are. Other content elements (items 4-7) are not all mandatory as separate sections, but should be defined somewhere in the strategy.

## Strategy-based ICT management

A common pitfall is to include too many tactical or operational topics in the strategy deliverable. The following diagram includes some examples of non-strategic elements of ICT management. In order to reach the strategic targets, all the building blocks of ICT management need to be in line with the overall strategy. A clear ownership of tactical and operative ICT management layers needs to be defined to ensure successful implementation and responsiveness to changes.



### Tactical and operative ICT management:

- Ensures that strategic targets are met.
- Provides solutions, detailed guidelines and tools for ICT organization.
- Focuses on mid-term and short-term activities.

## ICT strategy and roadmaps creation process

Strategy and roadmap creation should be an ongoing and iterative process. Ensuring the alignment with the business strategy from the very beginning is a critical success factor.

External factors, such as competitors, technology trends, etc., need to be observed continuously throughout the process.

A structured, yet rapid decision making process is another crucial aspect of strategy and roadmap creation.

Based on our experience, ICT strategy and roadmap creation (phases 1-4 below) requires about 3-6 months of calendar time.



Split of time required per phase: 1 = 30%, 2 & 3 = 40%, 4 = 30%

### Alignment with business strategy and environment

Understanding the core themes and “must-win battles” from the ICT perspective is essential. Another crucial aspect is to observe and identify relevant industry and technology trends that may impact the ICT strategy.

### Decision making process

Major (and minor) decisions need to be made throughout the strategy cycle. Clearly defined decision making bodies need to be established in advance. Depending on the decision type, both ICT and business leadership may be needed.

Examples of decisions: must-win battles, key capabilities, technologies and products, priorities of roadmap items.

## Creation and implementation core process

- 1. Analysis:** The analysis should provide the full picture of ICT by utilizing all relevant data sources: stakeholder interviews, existing documents and data from relevant tools. Major existing issues and expectations for transformations need to be understood. The strategic history of the company should also be reviewed and taken into account.
- 2. Develop and evaluate options:** Typically, several iterations of defining strategic targets, KPIs and various to-be scenarios (for example: target architecture) are needed. This activity usually requires a lot of collaboration between ICT and business stakeholders to identify the most probable options.
- 3. Validate and approve targets:** Validating and approving the strategic targets can be a time-consuming process. Cross-checks with business

strategy and benchmarking with competitors should be done to ensure the validity of individual objectives. Measurable KPIs should be set to avoid targets that are too vague and ensure that the benefits are tracked.

- 4. Create roadmaps:** Major development items and transformations need to be identified. High-level scope, schedule and work estimates for every item should be defined. Roadmaps should validate whether the strategic targets are realistic to achieve. Sometimes the strategy needs to be updated as a result of roadmap planning.
- 5. Implement and refresh strategy:** The implementation of the strategy is a continuous activity. Frequent checkpoints for refreshing the strategy are needed and should be part of the strategic layer of ICT governance. Any sudden changes in business strategy or the operating environment need to be quickly reflected in the ICT strategy as well.

## Strategies, roadmaps and transformations



ICT transformation projects and programs plan and implement major strategic changes that provide new ICT and business capabilities to an enterprise. Typically, ICT transformations focus on operating model, ICT optimization, technology or architecture. In practice, a transformation may include multiple dimensions.

Transformations have a strategic context and are often connected to other bigger ICT development initiatives on roadmaps. Therefore, it is essential to review and refresh ICT strategies and roadmaps before getting started with planning a major ICT transformation. A potential transformation should not be started if it is not in line with the latest ICT strategy or is missing from the current roadmaps.

## Midagon

Midagon is a truly independent transformation partner focused on tangible business benefits realization. We bring together hard-core program and project management experience, business domain and technology expertise combined with 100 % objectivity to help our clients succeed in their most complex transformations.

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