

Chapter 20: Information System Planning

B2001 @ Peter Lo 2007

1

What is an Information Systems Planning (ISP)?

- With the advent of strategic systems, information systems planning took on new dimensions and required new linkages with corporate strategic planning.
- Managers have had to become aware that uses of computers can have significant effects on their organization's competitive position, and that information systems planning needs to be coupled more closely with the goals of the organization.
- In fact, information systems planning, or lack of it, can now affect business plans.

B2001 @ Peter Lo 2007

2

Information Systems Planning (ISP)

- The long term-term planning for computerized information systems in order to meet corporate objectives.
- Cater for different corporate objectives, from introducing word processing and other office automation products, to supporting competitive measure to win greater market share.



B2001 @ Peter Lo 2007

3

Contents of an ISP

- The Information Systems Plan (ISP) will typically contain the following sections:
 - ◆ Corporate Strategy
 - ◆ Information Requirements
 - ◆ Current IT Installation
 - ◆ IT Action Plan

B2001 @ Peter Lo 2007

4

Contents of an ISP - Corporate Strategy

- The main points of the corporate strategy over the next 5 years will be outlined.
- These will be broken down into specific corporate actions which may or may not be an opportunity for IT involvement.

Contents of an ISP - Information Requirements

- Future information needs of the organization will be described here.
- This will be based on the corporate strategy and other organizational developments (e.g. expected merger or acquisitions).

Contents of an ISP - Current IT Installation

- The existing IT hardware, software and communications platforms will be described here. In addition, the existing staff and skill levels should also be included.

Contents of an ISP - IT Action Plan

- This section describes the overall vision of how IT systems would look like in 3 years time.
- It also prescribes yearly targets to move the IT setup towards the goal.
- These in turn will be translated into specific projects and actions.

Applications Backlog

- Each project have been initiated with a project request.
- IT Steering Committee decides which projects are to be approved.
- At any one time, certain applications development projects would have been completed, others would be on-going while the rest would not have started yet.
- The applications portfolio or project portfolio is the list of all application projects that are in the approved plan for next year, plus ongoing projects.

Applications Backlog (cont')

- Some companies practice a yearly evaluation of project requests to decide, give the limited resources and the corporate strategic objectives, which projects will proceed in the following year.
- To assist in the decision-making, the cost-justification is performed with financial ratios like payback and **Return on Investment (ROI)** being used to assist in the ranking.