

Is it in the strategy process



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Over the past several years, technology has been developing at an increasing rate and the trend is likely to continue in foreseeable future. In this situation, organisations must be aware of technological advancements while developing their strategic plans.

Strategic planning is the process of defining the business direction for the company for the years to come, and making decisions about allocating resources to pursue that strategy in terms of capital and resources.

As evident from the definition of strategic planning above, a strategic plan takes into account the business needs and goals, internal factors and external factors which include technology and changing trends. The emphasis is not on predicting the technological advancements with absolute certainty; yet strategic planning is based on analysing the trends in technology and developing strategies to draw maximum benefits through optimal utilisation of the latest technology for the company.

There are important distinctions between strategic planning and foretelling. A strategy is developed based on past performances, current situation and business scenario, trends and future implications and organisation's vision and objectives. It is not just a prediction into future but a comprehensive process of developing the strategic direction for the company and allocation of resources to meet business objectives. Of course, this includes detailed analysis of technological trends and an estimate of technology change with a view to provide optimal technological solutions for business information needs.

However, an organisation which is unable to analyse the changing trend and fast growth in technology; fails to achieve the desired strategic objectives because of technology obsolescence; needs for faster, reliable and secure

systems and information transfer; and lack of resources to implement and operate latest information technology products and services.

These information strategies need not be developed with a detailed description of technology implementation. In contrast, an IT strategic plan consists of a description of what the organisation wants to have in future; like an intranet portal for internal communication, a website and e-commerce system etc. These examples can be the part of an organisation's information strategy yet they do not focus on the actual technology for implementation. Instead, as and when these projects get started, the existing technology at that particular time will be evaluated through a detailed analysis for making the selection. For example, an organisation might want to develop e-commerce system using Java technologies for platform independence, or through ASP. Net for security. These decisions are not the part of strategic plan and have to be taken as and when the project plan is to be developed. The strategic plan, however, provides a direction that the organisation will take to achieve business objectives; in this case, to establish on line presence for e-commerce business.

Hence, although fast technological advancements should not have a great impact on carefully laid down strategy, yet these significantly reduce an organisation's competitive advantage if poorly planned and executed. Thus, organisations must analyse their current and future information needs, business goals and objectives and technological trends to develop a coherent, comprehensive and consistent set of strategies to get high returns on investments.