Keeping planning strategic – or perhaps making it that way
It's all in the plan

There's been a lot of focus in recent years on shifting to a more frequent planning cycle. Many businesses have gone from annual planning to quarterly planning, or at least quarterly reviews of annual plans. Unfortunately, there's still a major challenge with that approach. For most organizations there has been little change in how they plan, just a change in when they plan. Shifting to a more regular cadence helps to identify problems and make adjustments, but if the planning process itself is fundamentally flawed, those adjustments will never optimize the organization's ability to perform.

Effective planning in today's world has to be fundamentally reimagined. It must become both strategic and continuous. Some would argue that's how they already plan, but in this eBook we want to show you why that's probably not the case, and help you improve how you plan, and by extension, how you deliver.

Investment Funding is a starting point to determine how you will fund workstreams, products and teams and enables you to use block funding to achieve a continuous funding model.
Strategy drives all

In traditional planning strategic elements play very little role in the process. Executive leadership set the annual goals and objectives for the organization and those three to five high level metrics are designed to help the business get closer to its long-term strategic vision. But after that, planning generally becomes incredibly tactical – driven from the bottom up, not from the top down.

Often, the goals and objectives are communicated to department heads who then reach out to their managers and supervisors to identify projects that can contribute to those goals. This generally involves addressing opportunities or challenges that have been encountered during the previous operating period. For example, within IT there will be proposals to address user complaints, recurring technical issues, frustrating systems or processes, etc. Those may contribute to a goal of reduced operating costs or greater employee and customer satisfaction, but are they likely to be the best contributors? Are they going to generate the best possible return on the investment made to address those concerns? Probably not.
To ensure planning results in the best possible mix of investments, with the ability to generate the highest possible value, drive the entire process from the top down. That must involve:

- **Identification of the best investment opportunities across all departments and divisions.** It’s not enough to approve a few enterprise wide initiatives and then allocate remaining project budgets across departments. Today, leadership must take a much more active role in understanding how best to generate value and where to allocate funding. This also shouldn’t occur only during the budget and planning cycle, there should be a constant understanding of potential upcoming initiatives and an active prioritization of those opportunities – we’ll look at that more later.

- **Modeling of proposed investment mixes** to ensure optimal utilization of resources, effective distribution of work and risk, balanced disruption to operating environments and that sufficient capacity and capability exists to deliver all approved work. This is a critical part of a business focused PMO’s function in planning and managing the investment portfolio.

- **Understanding of the operating environment** that the business exists within and the ability to respond and adapt to changes in that environment. Enterprise agility is a critical discipline for the modern business and committing to initiatives that will be hard to adjust in the event that circumstances change is a high-risk strategy that should only be pursued when the organization is confident of their ability to deliver.

- **Decisive, objective decision making** with clearly defined business outcome expectations and accountability. This must be supported by a delivery environment that trusts those decisions and is committed to delivering the work. Those teams must be focused on delivering the business outcomes and empowered to adjust their work to maintain that alignment.
Lead with engagement

This is a much more active role for leadership than has historically been the case. Traditionally leadership’s only engagement after the initial goal and objective setting is to approve business cases or proposals from department heads, and even then only the largest project requests generally make it to leadership for review. Additionally, that review process is frequently politicized or subjective, rather than based on what’s best for the business.

That simply cannot be allowed to continue because it hurts the ability to deliver value. Also hurting that likelihood of achieving the goals is the common practice of leadership disengagement after the initial planning cycle and project approvals. In today’s world planning cannot be allowed to end, it must be continuous and it must remain top down. That only happens with continuously engaged leadership.
Continuous means continuous

In many organizations the delivery environment is a black hole. After initiatives are approved there is little insight into (or interest in) what is happening until outputs are generated. With the possible exception of sponsors and the review of highly summarized reporting, there is no active engagement in project delivery by leadership.

Quarterly planning isn’t the solution. Decisions to reprioritize or reschedule work is often restricted only to initiatives that have not yet started. Only those investments that are experiencing the most severe execution challenges are considered for cancellation, and even then, those decisions are generally driven by sponsors and key stakeholders rather than by top leaders. Quarterly planning is frequently little more than a validation process with slight adjustments to upcoming work.

That’s not what’s needed today. Continuous planning requires the complete portfolio of projects – current and scheduled, to be treated like an actively managed backlog. Leaders must be constantly reviewing their planned work to ensure that what is being proposed is still capable of delivering the goals and objectives – both at an individual initiative level and for the entire portfolio.
Leaders must empower project managers and their teams to constantly review and adjust the work that is being done on in-flight initiatives to ensure the best possible chance of delivering the expected benefits, and that empowerment must be meaningful. At the same time, they must be validating that the operating environment still supports those goals and objectives as realistic and achievable, and they must be looking for new opportunities and threats that will require further adjustments to be made.

Scenario Management allows for adaptive planning by enabling the ability to quickly identify scenarios, determine which one provides the most value for the organization, and to move forward with those decisions.

Figure 4: Scenario Management

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Hybrid Project Management. Combining agile methodologies into a traditional project construct allows project teams to quickly their plans to work on the deliverables that will have the most impact for end users.

Projects are never approved out of a desire to deliver a specific set of features by a certain date and for a known cost – they are approved to deliver an improvement to how a business operates. The number of businesses that ignore that fact until after project completion, or worse, never consider value, is truly shocking. Instead, these businesses focus on vanity metrics around tactical project delivery performance that do nothing to validate that a return on the investment is achieved.
To get further insight on how the ITBM Professional package can help you realize and maintain enterprise agility:

**Learn how** adaptive planning can make your organization more agile

**Learn how** to thrive in a digital world with five IT fitness journey maps for enterprise agility.

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