Planning at the speed of business

Planning is a critical—and often overlooked—component of keeping up with the pace of business. After all, you can’t change how you operate if you don’t change how you plan.

The breakneck acceleration toward immediate outcomes turns traditional planning windows into barriers to progress. Organizations can embrace change and control risk exposure by planning in shorter increments across IT and the business. This entails:

• Establishing planning as a top down, strategic discipline
• Creating adaptive plans that can adjust to changing circumstances and opportunities
• Empowering the entire project delivery organization to drive evolution in plans
• Minimizing disruption caused by fluid plans to continuously optimize project ROIs

This guide provides an overview of the five levels of planning fitness, helping you understand where your organization falls and how to begin your own journey.

Fitness level 1: Traditional planning

Level 1 organizations plan as they did a decade ago. They see planning as a process to approve projects and schedule them for completion. Approval decisions are made by organizational leaders and department heads, often during a single session. Projects are selected based on a bottom-up approach. Once approved, the PMO begins scheduling work and allocating projects. Changes rarely occur during the 12-month execution window.

Characteristics

Level 1 planning occurs when:

• All decisions occur at one time, regardless of when work is scheduled to start
• Approval decisions made by leadership based on their own priorities and preferences
• Inaccurate forecasts are common in business cases
• Proposals from the bottom up are aligned to objectives after the fact, so tactical problems are addressed rather than strategic priorities

In a survey of approximately 600 business and IT executives published by software development firm, Geneca, 75% of respondents felt their projects are doomed from the start.
The IT fitness journey: Planning at the speed of business

Fitness level 2: Long and short-term planning

Organizations at level 2 fitness are attempting to become more adaptive in their planning. They recognize they cannot plan for a full year, but they struggle to break old habits. Executives don’t want to give up control of approval decisions and department heads still want to drive the creation of proposals and business cases based on departmental priorities. The organization applies formal reviews throughout the execution period so investment decisions can be realigned with the organization’s changing circumstances.

Characteristics

Level 2 maturity organizations commonly:
• Demonstrate the same approach to project proposals and approvals as level 1
• Review projects quarterly but with a primary focus on those experiencing planning constraints or variances
• Have the same leaders who approved the projects making the change decisions
• Show little willingness to adjust organizational goals and objectives based on the reality of project delivery to the point of the review
• Focus on why projects “went wrong” rather than why planning was inaccurate

Fitness level 3: Real quarterly planning

Level 3 organizations embrace the quarterly planning cycle and recognize the value of flexibility. Budget allocation is annual, but specific projects are only approved if they start within three months. Planning is still based on the traditional model and control of approvals is still tightly held, but strategy execution offices and PMOs now play a role as planning accelerates. During the quarterly review process, consideration is given to changing external circumstances that impact organizational goals.

Characteristics

Level 3 organizations:
• Conduct quarterly project approvals, but still use the traditional model
• Consider shifting environmental conditions and needs in project approvals
• Find the proposals and business cases used to approve projects out of date
• Involve PMOs in the approval process, but without power to make decisions

The Geneca IT study revealed that 78% of respondents felt the business is usually or always out of sync with project requirements.

A research study by the Standish Group shows a staggering 31.1% of projects will be cancelled before they ever get completed.
**Fitness level 4: Strategic and operational plannings**

Level 4 organizations plan quarterly and build adjustability into the process. Top-down planning processes evolve with minimal disruption. Approved projects are high-level, strategic opportunities. Top priorities are approved quarterly, at which point detailed planning occurs only to the extent necessary. The portfolio backlog concept is introduced and actively managed. Planning decisions are still retained by leadership, but the PMO is tightly integrated into the process.

**Characteristics**

Level 4 fitness organizations regularly demonstrate:

- Strategic, top-down planning that prioritizes objective-based initiatives
- Detailed, just-in-time planning includes only the amount of planning required to deliver work successfully
- Portfolio modeling to validate project deliverability based on resource availability and distribution, risk tolerance, capacity, and more
- Leadership monitoring and adapting priorities as threats and opportunities emerge
- An integrated approach to planning and delivery that connects leadership with project teams through the PMO and similar functions

**Fitness level 5: Optimized adaptive planning**

At level 5, organizations demonstrate a completely integrated approach to the planning process that allows for real-time adjustments made by all levels of the organization. Formal planning occurs on a quarterly or monthly basis. All levels of the organization are involved in planning to ensure the right work is being done to achieve the right objectives. Organizational agility is embraced, and leadership can continuously shift priorities based on emerging trends, threats, and opportunities. Teams may adjust projects without formal approval and are allowed to adjust their work to better align with the project’s goals.

**Characteristics**

Level 5 maturity characteristics include:

- Total integration of project delivery, from objective setting to benefits realization
- Staff empowered to make adjustments necessary to maintain alignment
- Top down, just-in-time planning, only as detailed as necessary
- A dynamic project mix and portfolio backlog, evolving to meet changing needs
- Proactive agility and decisive action when required by threats and opportunities

---

The Standish Group research found that **52.7%** of traditional software projects will cost **189%** of their original estimates.

According to a 2017 PMI Pulse of the Profession survey, only **11%** of organizations always take an agile approach to project management.
The journey to fitness

To move up the planning maturity curve, leadership must adopt modern best practices—abandoning outdated, traditional planning models for a more regular planning cadence that anticipates change. It must recognize that planning accuracy is a fallacy, planning precision has no value, and that planning maturity is a journey, not a destination. It must empower teams and reward a willingness to change.

Wherever you are in your IT fitness journey, ServiceNow has a solution to support your IT organization.

Start by exploring IT Business Management to discover how business works better when IT is a strategic partner.

Learn More