The Need for Strategic and Continuous Planning
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IT leaders have a problem, and it's costing them money. According to PMI, over 11% of project budgets are being wasted every year due to poor performance. Why is this? It’s not because they don’t have the right talent in place or their lack of commitment to organizational agility. The true culprit? Lack of strategic focus and continuous planning.

Organizational planning has historically prioritized simplicity over effectiveness. Project planning happened on a yearly basis, with a set of projects agreed upon then added to the plan to execute (or not). In an attempt to shift that focus to deliver more value and increase flexibility, the planning process has evolved to include quarterly reviews. While the annual budget cycle continues, the quarterly planning review allows regular touchpoints for prioritization, pivoting to emerging threats and capitalizing off new opportunities. So, why isn’t it working?

While these regular planning check-ins sound good on paper, in reality, they serve as little more than a validation of earlier decisions or as a means to tackle minor adjustments to project priority. Why? Because project planning isn’t based on prioritizing which initiatives can drive the largest business contribution and because planning wasn’t continuous. Without that strategic alignment and persistent planning as a daily motion, the quarterly model simply increases the check-in frequency of the yearly slate of projects without embracing the agile, value-focused approach that can truly make a difference.

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Leading change in project planning

It wasn’t so long ago that successful decision makers typically followed their “gut.” They depended largely on an intuitive sense to lead their organizations in the right direction. Those days are now gone, replaced by a plethora of big data and numbers-based methodologies that help us understand our businesses and the markets we serve more deeply than ever before. But it isn’t as simple as inputting data into an algorithm and waiting for a response.

The challenges businesses face today require every project investment to generate the best possible return. That only happens when business leaders are ensuring that:

- The best investment selections are being made both individually and as an overall portfolio.
- Projects are being executed with a focus on optimizing the value that will ultimately be achieved.
- Adjustments are being made to investment choices as soon as circumstances shift and evolve to ensure that the work being done aligns with the benefits needed.

At the heart of that is a reimagining of how planning gets done. It must be strategic and continuous, encompassing the following steps.

1. **Clear goal and objective setting.** Optimizing the return on project investments requires realistic and relevant goals to be set in the first place. Business leaders must establish targets that are challenging yet achievable, and help the organization move closer to its long-term vision. Focus on no more than three to five goals and objectives set for each fiscal period.

2. **Strategic project selection.** Once goals are established, leaders must remain engaged in selecting the projects based on those goals. Instead of allowing departments to develop proposals for later review, the high-level selection and approval must be driven from the top before the more detailed planning is completed by delivery teams. In this way leadership ensures that the investments being made have the closest possible alignment with business needs.

3. **Phased budget allocation.** It’s unrealistic to expect that an organization’s operating environment will remain unchanged throughout a financial period – even if that period is only a quarter. There are so many variables influencing a business’ ability to succeed that new threats and opportunities emerge continuously. Only fund projects that can start immediately and have a high likelihood of delivering value. Withhold funding for other initiatives until they are ready to start.
This is a very different view of not just how planning should happen, but what planning is. No longer can it be viewed as an occasional activity that is largely driven by middle management or lower and only requires business leaders for final decisions. Instead planning must be acknowledged as a continuous activity that is driven by senior leadership and that potentially impacts all employees of an organization at different points.

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4. **Active backlog management.** Just as upcoming features for an agile project are maintained in a backlog that the product owner reviews and adjusts to ensure the highest priority items are addressed first, so should portfolio projects be maintained in an actively managed backlog to ensure those capable of making the largest contribution to goals are initiated as soon as resources become available.

5. **Truly empowered teams.** It’s important to monitor more than just upcoming projects to ensure alignment with business goals. To expedite projects with efficiency and eliminate time lost due to bureaucratic red tape, project managers and the teams completing work must be empowered to make adjustments to keep projects and the multitude of variables involved in them done on time and aligned with the benefits that are expected. Rather than wait on managers to weigh-in on project minutiae, let the teams closest to the work make the decisions.

6. **Ruthless decision making.** Too many projects have failed because they were allowed to struggle for too long. Whether it is executive leaders or project teams, decisions to change – or kill, projects must be made quickly, decisively and without remorse if investment funding is to be directed to where it can generate the best return.

7. **Meaningful accountability.** After projects have delivered their outputs the owners of those outputs must convert them to business outcomes. While the targets and measurement approaches were agreed to as part of the initial approval, business areas and department heads must be held accountable for delivering the expected return. Variances must be aggressively managed, potentially feeding the portfolio backlog with additional work.

8. **Total information transparency.** In order for strategic leaders to execute on this approach to planning they need accurate, complete and timely information. Organizations must have effective project portfolio management (PPM) solutions that support everything from investment allocation to project resource tracking and management (for both agile and traditional delivery methods). Only when all stakeholders have access to all information in a context that is meaningful to them can the best decisions be made.
Delivering strategic and continuous planning

One of the reasons organizations have held onto legacy planning approaches, even as they try and accelerate the cadence of that planning, is that it is so ingrained in the fabric of what an organization is. It is viewed as an extension of the department level budgeting process where allocating all available funds to projects is considered important to prevent those funds from being reallocated to other business areas. This effectively enables departments to pursue strategies and approaches that may not be aligned with the overall business and encourages competition for funds rather than collaboration to ensure optimal returns on those funds.

Changing that mindset is not an evolution of the current planning process, it is a fundamental reimagining of how planning gets done. Planning must be viewed as a multi-phase activity that is interwoven into every element of how a business operates. Those phases are:

• **Goal setting and budgeting.** This is the aspect that is most like traditional planning in that it involves the determination of the amount of funding available for discretionary investment in projects and the specific targets and target areas that will be established as the returns that are expected to be achieved.

• **Portfolio planning.** More than just deciding on the projects that will be initially funded and the initiatives added to the backlog, this involves ensuring work and risk are distributed across all business areas, that resource capacity and capability is utilized effectively and that organizational change management is integrated with the work of the portfolio. This should be driven by a business focused PMO that acts as the hub of all of the continuous planning activity.

• **Enterprise agility.** To make the right adjustments in response to a changing operating environment the business must first recognize when those changes are happening and understand which ones require a response. This requires leadership to continuously monitor the operating environment for emerging threats and opportunities that will provide the trigger for planning adjustments. At the same time, there must be internal excellence to deliver effectively and efficiently on those changes when they are required.

• **Engagement and accountability.** To make continuous planning work, every employee must feel engaged and accountable for its success. Even staff not directly involved in project delivery may identify new opportunities or threats that require a response and unless they feel as though they are part of the process and responsible for communicating their analysis, the performance of the business will suffer.

Planning must be viewed as a multi-phase activity that is interwoven into every element of how a business operates.
Rather than being a change in process or approach, this represents a shift in how organizations think and act – a change that will ultimately result in an evolving culture that embraces continuous change and the ongoing planning that goes with that.

**Delivering Success**

Strategic and continuous planning is a differentiator – it allows organizations to perform at a higher level than their competitors. It delivers a greater return on investment and enables the achievement of stretch goals and objectives. But more than that, in today’s world as businesses struggle to recover from the economic impacts of COVID-19, it is a necessity. Without the ability to plan strategically, deliver on those plans effectively, and adjust constantly, businesses simply won’t generate the return they need on their highly restricted investment budget.

That will result in a slower recovery, a loss of relative position compared with competitors, and a threat to the very survival of the business. Strategic and continuous planning is nothing less than a necessity for success.

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“There is a need to change planning from an annual cycle to a more quarterly or continuous cycle in order to react to the market quickly and optimize value.”