During the early to mid 1970s, strategic business planning was approaching the zenith of its popularity as a formal process and organizational activity in United States corporations. Most major corporations had large planning staffs and conducted an extensive annual planning process that comprehensively examined the strategic choices involving the firm’s missions, objectives, strategies, strategic programs and budgets.

These strategic planning processes were typically a combination of “top down” and “bottom up” in the sense that they were initiated when general policies, guidelines, and environmental assumptions were promulgated by top management and their corporate planning staffs, while the plans themselves were typically prepared at business unit levels and sent upward for consolidation and review. In most corporations, all business units and most key functions were involved in this process (King & Cleland, 1978).

The information systems (IS) function was not a very active participant in business strategic planning in most large corporations at that time. Because the then-current view of IS was that of a “cost center” or expense, the IS

The evolution of planning for information systems is reviewed in terms of practice and underlying concepts. Current trends in IS planning are identified and evaluated based on the evolution that has taken place through three eras of IS planning.
budget was generally established on the basis of prior years’ budgets. IS planning was thereby generally limited to ensuring adequate computing capacity and to planning for specific IS projects (McLean & Soden, 1977).

As the potential for employing IS in various strategic fashions became more apparent, the extension of strategic business planning to encompass more extensive IS planning, and the application of strategic planning methods in the IS area, began to emerge (King, 1977; King & Cleland, 1975). The literature and practice of IS was importantly influenced by these ideas in the mid to late 1970s (King, 1978; McLean & Soden, 1977). By the end of the decade, these practices had become commonplace in United States corporations. In the 1980s, Strategic Planning for Information Systems (SPIS) has been consistently identified at or near the top of the major “issues” facing the field (Brancheau & Wetherbe, 1987; Dickson, Leitheiser, Wetherbe & Nechis, 1984; Hartog, C. and M. Herbert, 1986).

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As the 1980s come to a close, there are reasons to believe that the adoption of these IS planning innovations may have proceeded to, or past, the point of maximum effectiveness. Major changes in the ways that businesses perform their SPIS are currently underway. The fact that some medium-sized firms have not yet seriously begun to do SPIS while other firms are performing SPIS in an advanced planning mode, suggests that IS strategic planning practices in business are almost as diverse as are the ways in which businesses employ computing resources. This paper will review the practices and conceptual bases of the rapidly-changing field of strategic planning for information resources (SPIR) and assess the current and future status of theory and practice in the area.

The Pre-Strategic IS Planning Era

In the “pre-strategic” era of IS planning, IS managers were primarily concerned with assessing the future computing needs of the business and ensuring that adequate and appropriate computing capacity was available to fulfill those needs. An associated planning task was that of evaluating and selecting the applications and systems development projects that would be funded and implemented. At the project level, project plans were developed to ensure that appropriate milestones were identified and that specific activities and tasks were assigned to appropriate IS professionals (McLean & Soden, 1977).

The Systems Life Cycle

The systems development life cycle (SDLC) was the primary conceptual basis for planning in this era. The SDLC for information systems evolved from the basic SDLC notion for complex systems. This theory postulated that the development of all complex systems naturally evolved through a sequential series of phases that were most appropriately managed in different ways, and which demanded different mixes of resources to compete effectively and efficiently (Cleland & King, 1968).

Forecasting and Project Selection

In the pre-strategic era, the multi-project levels of planning—capacity planning and project selection and evaluation—were based on the concepts of forecasting and project selection respectively. Capacity planning involved the forecasting of computing requirements and planning for the installation and testing of new