Chapter VII
Strategic Planning for Alignment

1. STRATEGIC PLANNING FOR ALIGNMENT

Developing a strategy for E-Government interoperability is taken to mean thinking strategically and planning for the effective long-term application and optimal impact of electronic information to support knowledge work and service provision in government agencies. Strategy can simply be defined as principles, a broad based formula, to be applied in order to achieve a purpose. These principles are general guidelines guiding the daily work to reach business goals. Strategy is the pattern of resource development and application decisions made throughout the organization. These encapsulate both desired goals and beliefs about what are acceptable and, most critically, unacceptable means for achieving them.

This chapter starts discussing different strategy levels and elements. Then, we introduce the Y-model for IS/IT strategy work. Important step in the Y-model is to describe the current and the desired business situation, and we list some methods that can help us gaining this understanding. At the end of the chapter we describe stages of integration between business and IT strategy.
1.1 Strategy Levels and Elements

Strategy is both a plan for the future and pattern from the past, it is the match an organization makes between its internal resources and skills (sometimes collectively called competencies) and the opportunities and risks created by its external environment. Strategy is the long-term direction of an organization. Strategy is the course of action for achieving an organization’s purpose. Strategy is the direction and scope of an organization over the long term, which achieves advantage for the organization through its configuration of resources within a changing environment and to fulfill stakeholders’ expectations (Johnson & Scholes, 2002).

Business strategy is concerned with achieving the mission, vision and objectives of an organization, while IS strategy is concerned with use of IS/IT applications, and IT strategy is concerned with the technical infrastructure as illustrated in Figure 7.1. An organization has typically several intra-organizational as well as inter-organizational IS/IT applications. The connection between them is also of great interest, as interdependencies should prevent applications from being separate islands. Furthermore, the arrows in the illustration in the figure are of importance. Arrows from business strategy to IS strategy, and from IS to IT strategy represent the alignment perspective, they illustrate what before how. What do we want to achieve? How might we achieve it? Arrows from IT to IS strategy, and from IS to business strategy represent the extension from what to how to what. This is the impact perspective, representing the potential impacts of modern information technology on future business options. Necessary elements of a business strategy

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Figure 7.1. Relationships between strategies at three levels

![Diagram showing the relationships between Business Strategy, IS Strategy, and IT Strategy](https://example.com/diagram.png)