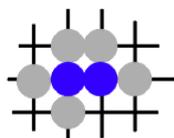


# Beyond the Internet— Is your organisation ready?

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## Newsletter



Over the last decade we have seen the continued rise of the Internet across all organizations. Today, if an organization doesn't have a web site, it basically doesn't exist in the marketplace. Using any of a number of browsers, people can access and share information about a topic anywhere in the world, have access to their user or industry group, preferred customer web site, and / or carry out various transactions to buy or sell products and services.

Smart organizations have long known about the power of the Internet, developing systems which have provided them with sustainable advantage over their competitors. At the same time, the Internet has shifted the balance of informational power (and the knowledge that comes with that power) from the organization to the individual.

For example, industries such as personnel recruitment, real estate, airlines, hotels, etc. have had to rethink the way they managed their business. The Internet allows the customer to compare prices before making his / her purchase, and then bypass the traditional intermediary (e.g. travel agents), dealing directly with the organization to buy the product or service.

The problem with the Internet however is that you need a PC or notebook with access to the Internet. In the last few years wireless communication has provided some mobility for notebooks, so that people aren't tied to a PC in an office, home or other fixed place. But, you still need the wireless connection, which can be a problem. And you need the notebook (or more recently a netbook).

What we're seeing now however is a new technology that is having the same disruptive effect that the Internet had at the beginning of the last decade – the smartphone. Although there have been various devices calling themselves smartphone released over the last few years, the latest generation of smartphones are the ones that are causing the disruption. These latest devices are taking their owners beyond the Internet to a whole new environment of information availability. With more than hundred thousand applications available, GPS capability and access to 3G cellular technology, smartphone users have unprecedented access to information without needing to use a PC, notebook, netbook or the Internet.

In effect, the new smartphones provide the possibility of significantly enhancing the information exchange between the organization and its employees, customers and consumers, or in fact anyone with whom the organization wants to communicate—and vice versa. In contrast to the Internet, where the person has to login before the organization is aware of the individual, the smartphone is always connected (provided it's turned on) and the organization can communi-

cate with each employee, customer or consumer as needed. In addition, the employee, customer or consumer can communicate directly with the organization as they need. All without access to the Internet.

This new disruptive technology brings some very powerful new ways of doing business to organizations. For example, a sales representative with a smartphone and the appropriate software can access his / her organisation's customer database, get the current address, get directions from his/her current location to the address along with how long it will take to get there.

Or a health professional meeting with a patient in their home (or in fact anywhere) could access the patient's details from the central database, including a photo to confirm their identity, see what treatments have been given or are due along with the required medications (including a picture of each tablet / pill for verification), and then record the treatments and medications actually given. Behind the scenes the patient's medical insurance could then be billed immediately for the consultation.

At the same time however (just like the Internet) the strategies to take advantage of this technology will need to be carefully crafted. In particular, the basics of strategic planning must not be forgotten. When the Internet became popular last decade, many organizations forgot the basics, resulting in lost revenue, lost opportunities, and in some cases the loss of the organization itself.

Before rushing into using smartphones in your organisation, the first question you should ask of your organization is—are you ready for the new technology? Does your organization have the necessary strategic foundation and building blocks in place to take advantage of this new disruptive technology? No doubt some strategy analysis is required to answer this question.

### In This Issue . . .

- **Beyond the Internet—Is your organisation ready?** which looks at the new disruptive technology of smartphones and the implications for organisations.
- **Pace of change mandates new ways of managing projects**—which looks at the new way organisations have to manage their projects in the light of rapid change and the new disruptive technologies
- **Rapid strategy planning using S<sup>3</sup> Analysis**—which looks at a new, rapid strategy planning methodology which allows managers to prepare and implement their business plans far more quickly. In addition, flexibility is built into the plan so that the organisation can take advantage of rapid technological change in the marketplace.

## Pace of change mandates new ways of managing projects

Every new technology platform is accompanied by hundreds, if not thousands, of software companies around the globe busily developing applications for the new platform. These applications can range from micro-apps (single function applications) through to major, function-rich applications. What's more, because of the internet and now the new smart-phone based technologies, these applications are easily downloaded onto any appropriate device anywhere in the world. What does this mean to you? Well it means that if you want to make sure that your staff, customers, suppliers (and any other stakeholders in your business) use the new technologies in a way that enhances your business strategies, then you had better start looking at either developing your own applications or determining which of the many thousands of applications available suit your purposes.

Typically, in the past this sort of requirement would have resulted in a nice, formal project plan based upon predictive planning methods which identified in detail the time, cost and resources needed to develop the required application. This plan (which probably would take between one and three months to develop) would have formal processes for user involvement, requirements gathering, system design and development, testing, training, change management and ultimately, once the application was developed to everyone's satisfaction, implementation. There is nothing wrong with this – its all in accordance with the software development and project management standards. The only problem is that it can be slow – and in today's environment speed is of the essence.

We have seen how quickly one technology supersedes another, often resulting in discontinuous change mandating new ways of doing things. Nowadays, if you are going to take advantage of new technology then you should plan on only having a short window of opportunity. You can, of course, opt out i.e. elect NOT to use new technology but that just allows your competitors to have, albeit sometimes only temporarily, a competitive advantage. However, if you opt in to the new technology then you need to move quickly – and those traditional predictive, waterfall-based development methodologies just are not designed for speed.

This is why we are seeing a rise in the adoption of agile-based methodologies. Agile methods break a project

down into small, manageable chunks of time (timeboxes) measured in days and weeks not months, with something (usually but not always) a piece of working software being delivered in that chunk of time. In each "timebox" a multi-functional team work iteratively through a full software development life cycle, with minimal planning, to produce the required functionality. In this way, something is constantly being delivered, on an iterative basis, to the business. A small amount of functionality is delivered to the business (users and/or customers) which is added to over subsequent time-boxes. It's a roller-coaster ride that doesn't stop until sufficient functionality has been delivered.

To work well, Agile needs small teams that constantly communicate with each other – Agile recommends at least daily – (in Agile-speak this is the daily 'scrum'). The teams need to be composed of highly competent and confident individuals who will get on and do what is needed and who will communicate with other team members as and when any issues arise. This can be a bit uncomfortable for all those manically clever developers who believe that communication in anything other than monosyllables, and only when absolutely forced to, is a waste of energy!

Furthermore, because each time-box has its own plan (developed at the start of the timebox), which, following Agile rules is minimal, there has to be an over-arching design so that the dependency of "time-boxes" can be identified to ensure that each time-box deliverable is adding to the required completed functionality. Without this over-arching design discipline, Agile can lead teams into technology anarchy. However, with a good initial design, you can have multiple Agile teams working in parallel to work out the details and deliver functionality. This all requires a lot more emphasis on the daily management of the project, as well as a focus on the details across the full software development life-cycle for that time-box.

We have managed projects using Agile-based methods – its exhilarating and tiring at the same time! It is also tiring for the business and more than once we have had people complain to us "we can't work that fast". Well, sorry people but the reality of today's pace of change means that we must all get used to working faster if we want to stay competitive. For anyone wishing to get a more detailed overview of Agile there is a lot of information on the web – or you can talk to us to find out how we made Agile work for us in a large software development project.

## Rapid strategy planning using S<sup>3</sup> Analysis

Strategic planning has always been looked upon as something organizations should and have to perform. At the same time it's something which many senior managers dread, having to plan the next 3 – 5 years in the midst of constant change, turmoil and financial volatility. Once the strategic planning cycle has been completed, many managers breathe a sigh of relief and go back to their business – the strategic plan is rarely visited until the next planning cycle.

Many organizations don't consider the strategic plan or the process to prepare it to have any real benefit to the organization, especially given the constant and rapid change occurring in the marketplaces of the world. Their argument is – how can you plan when everything keeps changing? In addition, by the time the plan has been pre-

pared, so much has changed that the plan is out of date before it's implemented. The word "strategic" is also a misnomer, implying such planning is only done at the "strategic" or top level. "Strategy" planning is a much more appropriate and far more accurate term, hence the title of this article.

But just what is strategy planning? One of the best definitions is to be found in Daniel Gray's Article "Uses and Misuses of Strategic Planning" (Harvard Business Review (Jan-Feb 1986). In it he states that strategy planning is: *"the allocation of resources to programmed activities calculated to achieve a set of business goals in a dynamic, competitive environment."*

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# Rapid strategy planning using S<sup>3</sup> Analysis

In other words strategy planning is an activity which every manager should be carrying out as a fundamental part of his or her job. At the same time, particularly with the rapid changes in today's marketplaces, it's something that needs to be done quickly and with flexibility built in to the plan so that it can change as the marketplace changes. Any organisation which doesn't change or reacts too slowly to change, faces the real possibility of extinction in its chosen markets. The solution therefore is to move away from the top-down start-to-finish approach to a continuous strategy improvement process, referred to as S<sup>3</sup> Analysis (Strategy, Structure, Systems).

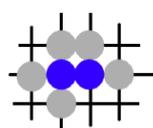
The concept of S<sup>3</sup> Analysis is very straight-forward. Instead of looking at the process top-down, consider it to be circular. Each component can influence the other two or be influenced by them. But where does one start with such a circular process? What comes first - strategy, structure or systems? The answer of course has to be strategy, which in turn emanates from the idea, invention or innovation as it is crystallised. It can be likened to the life-cycle of a seed. The makeup of this seed is crucial to the long-term success of the organisation. It is variously referred to as the Mission or the Purpose and the prime purpose of the top management is to bring the seed into being.

Once the seed is planted the strategies can then be analysed and formulated, and following this the structure and systems needed to support the strategies can also be analysed and formulated. Analysis of the ideal structure will almost certainly identify improvements that can be made to the strategy, taking advantage of specific knowledge and skills that the organisation may have in its staff. This could range from competitive information, market knowledge or certain management styles.

Similarly, analysis of the systems (including the technology) needed to support the structure and strategy will uncover improvements to both of them. This could provide competitive advantage, flatter organisational structures, or new ways for the organisation to carry out its business processes. The new disruptive technologies that we're now seeing are a classic case in point where this analysis could identify whole new strategies and opportunities for the organisation.

It can be seen therefore that S<sup>3</sup> analysis is very much a circular and iterative process. As ideas and improvements are made in one area the other two are then analysed to see the effect these ideas and improvements will have. These in turn could have a further effect which is then analysed, and so on.

Rapid strategy planning can work - when it's considered as a part of a much wider planning activity which involves a continuous strategy improvement process. Managers of organisations have to realise that it's a fundamental part of their duties to plan, to plan continuously, and to plan rapidly. It has to become second nature - a mindset. Just as managers manage their business so too must they manage strategy - S<sup>3</sup> Analysis is the key. It is the only way in which managers can master the rapid change that is endemic today throughout every market, take advantage of the new disruptive technologies, and adapt quickly to change.



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## About us

Over the last 26 years we have been working with numerous organisations in a variety of industries, particularly banking, finance, mortgage broking and insurance, as well as mining & manufacturing. At the strategic, tactical and operational levels we have carried out a wide range of assignments with the top management & boards of organisations in Australia & New Zealand, as well as throughout Asia and the US.

Typical assignments have been in the areas of strategic analysis & planning (particularly using S<sup>3</sup> Analysis), services management (including SLAs), outsourcing (for both organisations and IT vendors), project management and information technology. The assignment may be a simple review of existing strategy, structure and systems, an investigation of a specific problem (e.g. a project that appears to be in trouble), or could be pre-litigation forensic analysis of a failed project.

Our review & advisory assignments usually take no more than two to three weeks, and the primary outcome of the assignment is a report detailing the results of our review with a series of recommendations for resolving the situation at hand and / or recommendations for further action.

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