



**<Company>**

**IT Strategy**

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## Responsibilities

Role	Name	Department	Function	Signature	Date
Author			CIO		
Reviewer			Quality Office		
Reviewer			Portfolio Manager		
Reviewer			Head IT Development		
Reviewer			Head IT Operations		
Approval			CEO		



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## 1 Introduction

It is important to give directions to decisions taken and activities developed. A very widespread approach within companies is the definition of a strategy. The word “strategy” comes from the Greek word “strategós” meaning army (stratos) and conduct (ageîn). At this time, winning a battle was an issue of life and death. In the current economic context, the situation is very similar. Therefore, it is not surprising that manuscripts from famous military strategists like Sun Tzu or Von Clausewitz are often quoted. The number of soldiers is not that much relevant today but business intelligence, the adequacy of investments and the ability of the organisation to transform itself are key. The current document aims at:

- understanding the relevance of the corporate strategy for IT,
- defining the key elements of the IT strategy,
- designing the implementation of the IT strategy,
- understanding the complexity to have the IT strategy in place.



## 2 Business-IT Alignment

The vision of the **Company XX** focuses on achievements **acting as ....** The following values are essential to fulfil the vision of the company:

- Customer Orientation
- Engagement
- Innovation
- Continuity

### 2.1 Corporate Strategy

The corporate strategy aims at ensuring sustainable revenues by increasing the earnings sources and controlling expenditures.

Key elements of the strategy are:

- A management structure with a long-term orientation,
- Skilled employees with individual commitment ("We hire for attitude, train for competence"),
- **xxxx.**

Following customer segments have been identified and are systematically addressed.

<b>xx</b>	▪ <b>xx</b>
	▪ <b>xx</b>
	▪ <b>xxx</b>
<b>xxx</b>	▪ <b>xx</b>
	▪ <b>xx</b>
<b>xx</b>	▪ <b>xx</b>
	▪ <b>xx</b>

### 2.2 IT Operation Model

Following points are the key elements in the IT to support the current business model.

<b>System reliability and availability</b>	▪ Permanent development of a redundant architecture
	▪ Monitoring of systems and detected disturbances to avoid problems, to fix issues rapidly and to inform the impacted units as quick as possible
	▪ Efficiency increase in testing to avoid defects and subsequent disorders



**Development and optimization of systems**

- Ensuring that all regulatory requirements can be met thanks to our systems in place
- Improvement of client reporting and customer channels
- Development and customization of IT Systems to meet customer needs and to support the bank strategy, especially in terms of business activities
- Deployment of new CRM functionalities and integration of the new CRM features in all corporate activities

**Digitalization**

- Introduction of new digital solutions
- Conduction of PoC Studies (Proof-of-Concept) to gain knowledge in new technological areas
- Increase time-to-market

**Cost optimisation in IT**

- Continuous monitoring and optimization of maintenance costs
- Consistent use of cost/benefit analyses concerning investment projects

## 2.3 IT Contribution within the Corporate Balanced Scorecard

### What is the added value proposition?

IT systems are as part of the Balanced Scorecard to steer the development of the company.

The BSC may include the 10 following major components:

- 1) Financial performance
- 2) Customer orientation
- 3) Products and services
- 4) Markets
- 5) Distribution channels
- 6) Processes
- 7) Systems
- 8) Employees
- 9) Executive personnel
- 10) Business opportunities

### What is the contribution of IT?

IT systems are constantly available and reliable. These systems support our customers, employees and processes as well as all our suitable channels of distribution. All our systems help us to reduce costs, to improve the quality of our services and to increase our efficiency.

Our processes are documented according to our quality requirements. Our processes are efficient and effective. We make use of standardization and improve our processes constantly. We aim at automating processes in order to reduce costs. [To be commented](#)

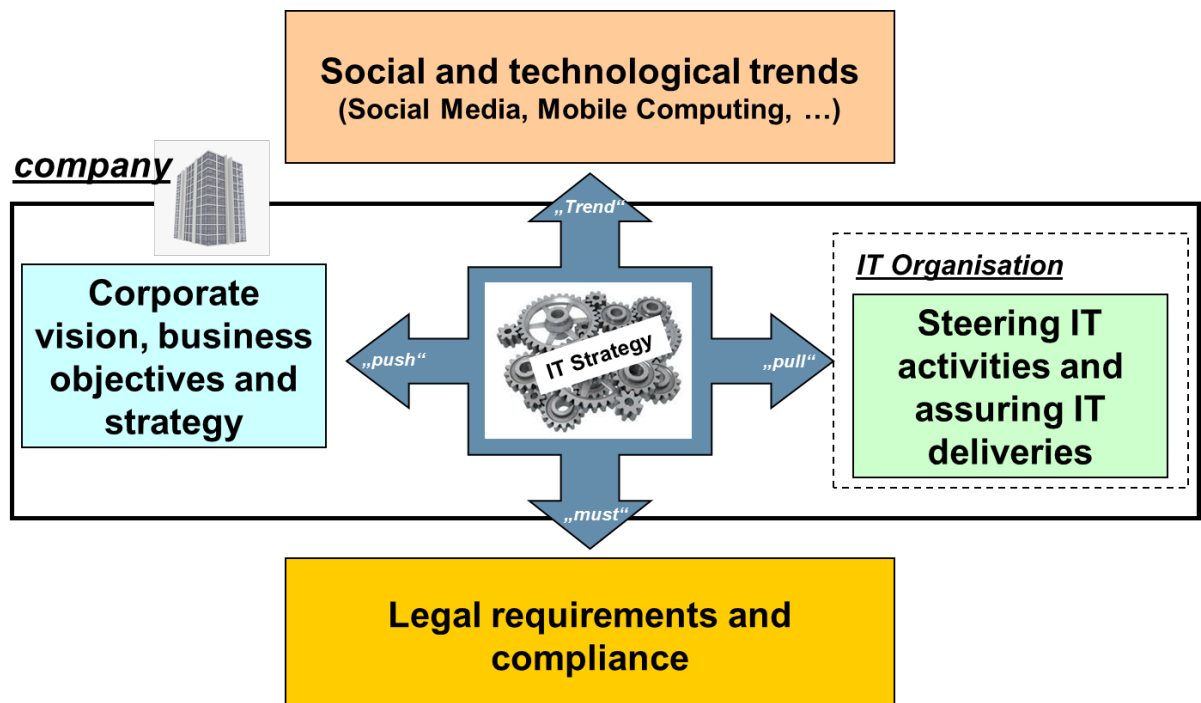
## 2.4 IT Security

[Reference to the IT Security guidelines and best practices according to the current worldwide standards](#)



### 3 Key elements of the IT strategy

The IT strategy is the wheel, which enables the alignment between business and IT in a context where new technologies and compliance requirements play an increasing role.



#### 3.1 IT Organisation

The IT organisation includes the following main areas:

- Xx
- Xx
- xx

The IT Head and the IT Management Office are responsible for the strategic decision processes. Main directions are given considering the corporate strategy.

<Name of the organization> is in charge of operating and maintaining the running IT systems. Special attention is given to critical systems, like xx or xx, which need to be available 24/24 hours and 7 days a week.

<Name of the organization> deals with operational processes. Nevertheless, some IT projects are also conducted, especially concerning the lifecycle of the systems and for the introduction of enabling technologies.

An IT Helpdesk is also the single point of contact (SPOC) between IT users and the IT service organization



Make or Buy culture? “Make” Culture -> The aim of company is to keep critical knowledge internally. A major challenge remains then the bright range of competencies needed to be covered.

### 3.2 IT Sourcing Strategy

In order to provide high quality IT services to the company, different SW solutions are in place. The choice of a new solution follows the guidelines defined within the project portfolio process, which will be presented. Describe the HW and SW purchasing process.

The company focuses on market leaders when proven and reliable IT solutions are needed. As the critical business activities fully rely on the IT systems, no risk will be taken with an untrustworthy supplier.

Outsourcing has become an important topic within the IT industry. The company practices a so-called “selective outsourcing”.

Regarding innovation, the company is in regular contact with ??? Companies, which develop interesting products and services for the bank industry.

### 3.3 IT Quality Standards

Following IT quality standards are defined for:

- **IT services**  
Service levels are defined for each service within the service catalogue. These service levels are quarterly measured and reported on a monthly basis.
- **IT projects**  
The quality standards for IT projects are oriented towards the usual project management goals: on budget, on time and in the right quality. A project reporting is available at portfolio level on a quarterly basis. A final report is written at the end of a project and corresponding performance indexes (SPI: Schedule Performance Index / CPI: Cost Performance Index / Degree of scope delivery) are presented to the Steering Committee Members and published.

If a major disturbance is detected with a major impact on customers (for instance, xxx not available) or impeding the day-to-day bank operations (for instance xxx), an operational risk is reported. The disorder is carefully analysed and all measures to avoid the repetition of the error are taken in accordance with the management.

Further quality controls are planned over the year. The aim is to check the adequacy of the IT setup, especially regarding security and compliance requirements. Here is a list of the major yearly activities:

- Yearly IT Revision,
- Penetration test,
- Failover Test,
- Security audits.

### 3.4 IT Architecture & Standards

Describe the current application architecture, the “to-be” architecture and give a roadmap.





The IT Infrastructure is based on IT Standards, which provides the IT users a reliable, highly available and cost effective IT environment.

### **3.5 IT Project Portfolio**

The IT project portfolio management is set-up in order to perform optimal use of deployment activities in the IT area. This includes the choice and introduction of software solutions, the use of synergies and benchmark studies and the optimal management of internal and external resources.

Based on the overall bank project portfolio process, the project portfolio process enables the right selection of projects. The corresponding process is registered and named “from Demand to Project” as part of the strategic management processes of the company.

[Give a short description of the process and give the main criteria used to select strategic projects.](#)

### **3.6 IT Service Portfolio**

An IT service can be then defined as a service for the use of Information Technology in order to enable and optimise business processes for a company. The variety of IT services is quite high and having IT services in place requires a dedicated management structure.

Questions like:

- Which IT services do we need in our company?
- Which level of quality is needed?
- Who is in charge of providing the services required?
- Who is going to assess the quality and ensure the availability?
- How does the charging of the services look like?

need to find an answer. The IT Service Management (ITSM) deals with all matters concerning the needs to have efficient IT services in place.

IT services are documented within the IT Service Catalogue. Three main service families have been defined:

- Business services
- Business applications
- Technical Services
- Digital workplaces

Having IT services in place gives better visibility to the business concerning the expected service delivery and leverage resources needed to have the services in place.



## 4 Implementing the IT Strategy

Die IT strategy is understood as a process and not as a document to be archived in desk drawer.  
The IT strategy process is defined as followed:



<u>Step 1</u>	Identify IT needs
<u>Step 2</u>	Define frameworks & standards
<u>Step 3</u>	Communicate & implement
<u>Step 4</u>	Review & assess

The CIO is responsible to have the IT strategy in place with the support from the top management and the collaboration of further IT managers, just like the IT Architect, the Head of the IT Project Portfolio Management or the Head of IT Service Management.

The IT strategy is directly related to the corporate strategy and ensures alignment of the business needs with the delivery of IT services.

The IT strategy gives directions in the six following areas:

- **IT organisation**
- **Sourcing principles**
- **IT Quality standards**
- **IT Architecture & Standards**
- **Framework for IT investments**






## ▪ Framework for IT services

### 4.1 IT Processes

IT Processes are in place to enable an efficient processing of all the tasks. Therefore, a process landscape has been defined. In order to have a better view on the IT process landscape, three levels will be distinguished:

- Strategic,
- Tactical,
- Operational.

IT Customers		Time Frame		IT Suppliers
Upper management		strategic		Partner
Middle management		tactical		Provider
Employee		operational		Seller

### 4.2 Strategic Decision Processes

Six main elements have been identified to have the IT strategy in place. The following matrix gives a high-level understanding of the corresponding management decisions.

<u>IT Organisation / HR Management</u>	The CIO is in charge of designing the IT organization. This task is strategic, as key knowledge needs to be kept within the organization.
<u>Sourcing strategy</u>	<p>“Make-or-Buy?” that is the question.</p> <p>Having internal resources in place presents many advantages. It would nevertheless unrealistic to think that all IT services can be provided only with internal resources. Purchasing equipment and external services is one of the IT department’s core responsibilities. It is essential to ensure that the corresponding process is proceeded as specified.</p>
<u>IT Quality</u>	Quality assurance criteria for products and services need to be identified. Service level agreements (SLAs) apply to operational services while project quality is monitored on the basis of project quality specifications before, during and after the completion of a given project.



#### IT Architecture & Standards

The definition of IT standards and architecture plays an important role in enabling an enterprise to reach its strategic IT goals, including the following:

- Lower or at least stabilized IT unit costs
- Introduction of uniform solutions throughout the enterprise
- Stable and predictable operational and development costs
- Availability of operational and maintenance know-how
- Security against losses, disasters, attacks and unauthorized access
- Secure application and project designs (reduced complexity and risk, modularization, incremental strategies)
- Implementation of sustainable solutions for broad user bases

#### IT Project Portfolio

The purpose of the IT portfolio management process is to ensure the selection of the most valuable IT projects. Criteria to select “strategic” projects are in place. This process is relevant as the resources available for projects are limited.

#### IT Service Portfolio

IT services enable the company to manage information and optimize business processes. Based on the business needs, the IT services required are put in place and actively managed.

The service portfolio includes services provided currently but also anticipates new services needed. It decommissions non-relevant services, which are then phased-out and withdrawn.

### **4.3 Tactical Processes**

The tactical view is used to refer to efforts to secure an optimal use of the available resources (human and material) and a coordination of the planned means to provide an IT service or an IT project.

While the quality of IT projects is established in the framework of the portfolio management process, the quality of the provided services is determined by measuring SLA compliance. These two quality aspects are not independent of one another. The quality of completed projects often has an impact on the quality of the provided IT services. If the quality of the IT services is deficient, one can often find the root in the deficient quality of a related project’s planning or execution.

The Capacity planning involves a consideration of various parameters used to assess the need for services and projects and to ensure the availability of the corresponding resources. Qualitative criteria such as competency, knowledge and experience play an important role in the context of capacity planning.

Continuity management is also an important process at this level.

Another important process is related to the development process, meant as programming, to customize bank core applications. The release management process is then used to have the corresponding upgrades in place. Testing plays an important role to guarantee the quality of the new solutions.

### **4.4 Operational Processes**

Major activities at the operational level include:



- **Operational activities:** This encompasses all of the activities that are carried out on a regular basis (e.g. backup tasks).
- **Installing new IT devices:** New devices are installed as replacements for old devices.
- **Incident management:** The help desk receives user requests and processes the corresponding incident tickets in accordance with the established incident management process.
- **Receiving and analysing requirements:** The clients report their requirements to the IT department, which analyses the requests.
- **Implementation of system changes:** System changes are implemented in the context of projects and new releases.

The major operational process deals with operating the IT systems in place. The monitoring of the IT systems is a key activity, especially alerts are sent as soon as a disturbance is detected. Configuration management ensures that configuration data is updated after the introduction of changes.

The purpose of the incident management process is to ensure the quickest possible restoration of services in the wake of service outages. Service recovery should be achieved by the specified maximum service restoration time. All incoming reports (e.g. via telephone, e-mail or web) are recorded and processed as tickets. The established process should lead to the quick resolution of most of the reported service problems. Incident resolution is handled by the IT department. A distinction is made in this regard between the following support levels:

- **1st-level support:** As a single point of contact (SPOC), the help desk is responsible for providing 1st-level support.
- **2nd-level support:** Specialized teams that are responsible for various task domains such as “computer support” are also responsible for providing 2nd-level support.
- **3rd-level support:** Highly specialized teams are responsible for providing 3rd-level support.

A further important process is problem management. The purpose of problem management is to resolve problems and minimize their impact on the IT infrastructure to ensure operational stability. Existing faults are analysed and remedied in the wake of system malfunctioning or emerging problems. In contrast to incident management, which is geared to providing a quick solution or restoration of a service, the aim of problem management is to discover the underlying cause of faults and malfunctioning and to ensure the implementation of a sustainable solution.

Experience indicates that problems arise in the following contexts:

- Pursuant to capacity limitations – these generally need to be verified over time and made quantifiable,
- Pursuant to project launches and the introduction of new components,
- Pursuant to malfunctioning, that occurs irregularly.

#### 4.5 IT Process Landscape

The following picture gives the IT process landscape.

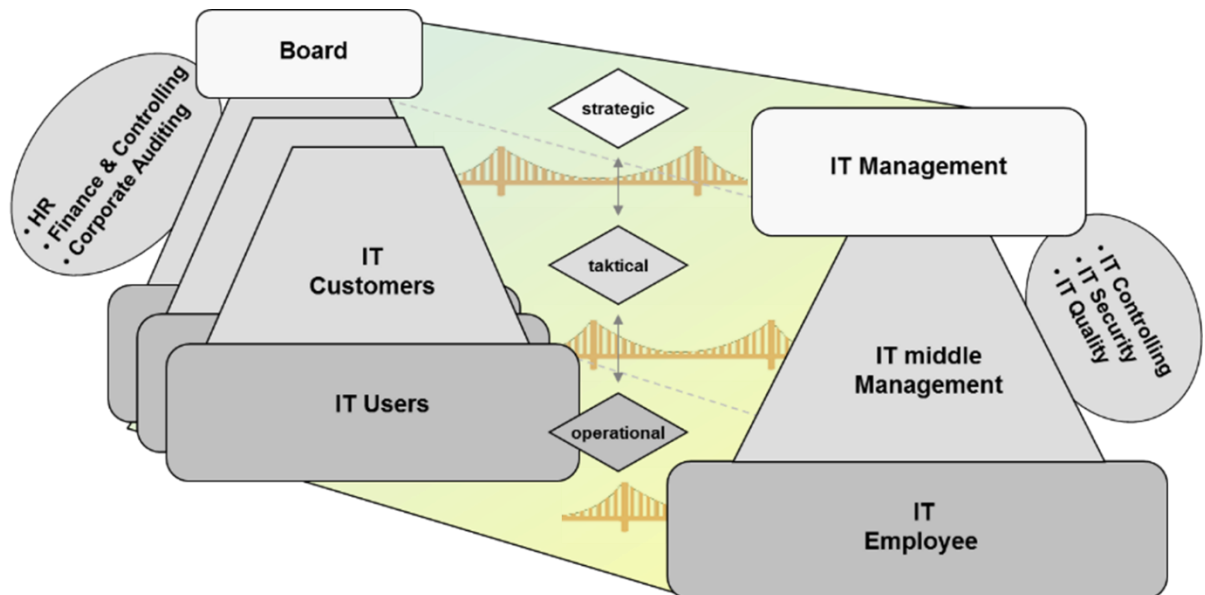
[IT process landscape](#)

#### 4.6 IT Governance

Based on the process description, roles are defined and attributed within the organisation. In general terms, the following generic model applies:



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It is important to notice that the IT governance does not only deal with the IT organisation but includes the whole organisation to make sure that all IT aspects are properly addressed and covered.



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## A Appendix A: IT & Security Policies

Policy Name / reference	Description



## **B Glossary**

<b>CPI</b>	Cost Performance Index
<b>HR</b>	Human Resources
<b>HW</b>	Hardware
<b>IT</b>	Information Technology
<b>ITSM</b>	IT Service Management
<b>SPI</b>	Schedule Performance Index
<b>SW</b>	Software