

## **The second cycle: alignment of business objectives and information objectives**

"Information is not a goal, it is a support for the organisation."

Also the second cycle begins with a review of current issues and progress in implementing IS decisions and plans. Thus, if new issues have occurred after the beginning of the first cycle, they can now be addressed.

The main task in the second cycle is to promote strategic thinking, creativity and innovation in the planning process but also to ensure sufficient integration of IS plans with business plans. The emphasis is on identifying future IS projects that provide business value and support both business strategy and business processes.

The second planning cycle comprises three planning tasks:

1. Reviewing existing plans, documents and information sources
2. Conducting business and technology analyses
3. Aligning IS plans with business objectives

In essence, the participating managers are asked to re-examine the assumptions about the business needs and technology opportunities used in previous plans. This new information is then used update IS priorities for the future.

Previous IS literature provides many useful analyses that can be used to support these tasks. Some of them are listed below. Furthermore, table 3 describes documents that can be developed, updated and/or used within this cycle.

Even if the objective in the second cycle is to create new plans, existing IS plans can be used as a flexible framework within which the implications of changing circumstances/strategies can be identified and managed (Galliers, 1991). Information sources analysis can also be used to evaluate current planning documents and existing information sources (Ward and Griffith, 1996).

The corporate business strategy (if such exists) can be carefully studied each year and all impacts for information management listed. Other business analyses can embody the analysis of current and future business environments, critical success factors, strengths and weaknesses, and programs of the organisation (King, 1988; Raghunathan, 1991).

The relationship between strategic business plans and information systems plans should be seen as an iterative (Henderson and Sifonis, 1988). Hence, the process should also incorporate the tracking of key developments in technology to enable the managers to spot opportunities, which can give them a competitive advantage (Boynton and Zmud, 1987; Earl, 1988). Also, the likelihood of events can be evaluated (Mintzberg, 1994).

Brainstorming sessions can be used to discuss new ideas for using information systems. Buzan (1995) has developed an instrument to make quick associations with a specific subject. A voting system can be used to decrease the number of ideas (Stevens, 1997). In any case, the process should reduce conflict that revolves around uncertain assumptions (Henderson and Sifonis, 1988) and it should also enhance communication of the objectives between senior management, IS management, and user management (Ruohonen, 1991).

Given the amount of interest in aligning IS with business, it is no surprise that the analyses in the second cycle are quite "traditional".

In comprehensive methods (and in the planning practice in many companies) innovation of new opportunities and making of organisational decisions about IS priorities are scheduled very close to one another. Since many stakeholders also need to protect their own interests and needs, such process does not promote "creativity and strategic thinking". In the four cycles method, the second cycle is devoted to analysis and innovation. Final decisions can be made later. There must be room for new ideas. Restrictions are the emergent nature of the changes and the difficulty of formalising creativity and innovation.