

First cycle: Agreeing on planning objectives and stakeholders

"There's nothing more practical than a good theory"

The first cycle begins with an assessment of progress in implementing IS decisions and plans. Also new issues requiring immediate attention can be brought into the planning agenda. If they require immediate action, a special task force can be assigned to start investigating the issues. As each cycle begins with a short update session, implementation of plans can be monitored on a quarterly basis.

The primary planning objective in the first cycle is, however, the evaluation of the selected planning approach. If no problems are evident, an informal situation appraisal of the planning process at the beginning of a new planning year can be adequate (Dyson and Foster, 1980; Baker, 1995). Problems in the planning process, such as inadequate participation or failure to implement plans (Lederer and Sethi, 1988; Premkumar and King, 1994; Mentzas, 1997), suggest that a more thorough analysis may be needed.

The cycle comprises the following three planning tasks:

1. Evaluation of previous planning results
2. Setting the scope of planning and selecting objectives
3. Selecting participants and adjusting the planning approach

In essence, managers are asked to critically assess the results that have been achieved with the organisation's current approach to IS planning. Based on this assessment, they evaluate whether more, or less, of their time should be devoted to IS planning. The managers therefore choose which of the listed activities (table 2-4) they want to perform in the next period. Outcome can be that this year they only produce a thorough list of current and planned projects (#3) but also that all 45 activities are conducted. Also the way planning is approached (degree of formality, comprehensiveness) is discussed. The objective is to choose an approach that best fits the planning environment, planning tasks and expectations of participating managers. In practical terms, the main task in this cycle is to agree on the planning objectives and accept a schedule for the coming period.

Previous IS literature provides many useful analyses that can be used to support these tasks. Some of them are listed below. Furthermore, table 2 lists documents that can be developed, updated and/or used within this cycle.

Evaluation of previous planning results is a natural starting point for the evaluation of the selected approach. The managers should monitor the implementation of plans, not only to revise the plans, but also to evaluate whether the goals, resources, analyses, processes, outputs and outcomes of the IS planning itself are appropriate (King, 1988; Raghunathan and Raghunathan, 1991). In essence, there should be sufficient feedback mechanisms to allow managers to improve their IS planning effort (McLean and Soden, 1977; Baker, 1995).

Because IS planning can have multiple objectives and it can serve many different interests (Galliers, 1991; Ciborra, 1994), it is important that the emphasis of different objectives is clearly stated. Planners should ensure that senior managers perceive the issues in the planning agenda as important for the strategic goals of the organisation (Ein-Dor and Segev, 1978; Goodhue et al., 1992). Also, short-term opportunities and problems with direct implications to users should not be forgotten (Boynton and Zmud, 1987).

The importance of selecting skilled people from various parts and different levels of the organisation is also well documented (Galliers, 1987; Boynton and Zmud, 1987; Sääksjärvi, 1988; Premkumar and King, 1994; Ruohonen, 1991; Spil, 1996). It is also important to define the groups that need to be interviewed, informed or trained (Boynton and Zmud, 1987).

Furthermore, a contingency analysis (Feeny, Edwards and Earl, 1987; Earl, 1989) can be used to evaluate the degree to which the planning approach fits with the contextual variables.

Planning approach should not differ too much from the organisation's general planning style and control structure and it should also reflect the complexity and significance of the organisation's IS and the consensus about the mission of organisation's IS department. (Earl, 1989; Doukidis, Mylonopoulos and Lyberreas, 1994).

While many researchers have pointed out the significance of critically evaluating the planning approach, existing E-business planning does not incorporate it in the planning process. The four cycles method does not provide a ready-made solution. Instead, managers are asked to decide how planning should be approached and whether they find a formal, or informal, approach to be more natural. Such discussions are expected to promote continuity and learning of key participants. Time as a valuable asset in e-business strategy planning should be used as effectively possible.