



servicenow®

Strategic planning done right

Creating and delivering an outcome-driven portfolio

Why are too many organizations failing in their strategic initiatives?

In a recent ServiceNow survey, just 30% of respondents indicated they were able to achieve expected business outcomes for more than 70% of their strategic initiatives. However, 42% failed to achieve outcomes for more than half of their strategic projects.¹ Those are striking statistics, but what's worse is they're consistent with numerous surveys conducted over many years. Things aren't getting better.

It's not just about poor execution

There are many reasons for organizations' inability to succeed, and they can't simply point to execution failures as the reason they struggle. In many cases, the problem is with planning: unrealistic goals and objectives, the wrong investments, and inappropriate success criteria. And for many organizations, the rate of change is simply too fast; they can't keep up with what is happening in their operating environments.

Advantages are limited without better planning

Traditional strategic planning hasn't changed much—the cycles have become shorter, but the processes have remained nearly the same with no material improvement in performance. At the same time, organizations have invested heavily in making their project management offices (PMOs) more strategic. This helps address many challenges that occur downstream from planning in delivery and benefits realization. But without improvements to planning, any advantages are limited.



¹ServiceNow, [World of work global survey](#), 2023

One step beyond strategic planning: Strategic portfolio management

What has led to the growth of organizations in recent years is strategic portfolio management (SPM), a discipline that has strategic planning at its core. SPM aims to connect all aspects of strategy: the initial setting of priorities and goals, the selection of investments, the execution of work, and the measurement of business outcomes to validate that objectives have been met.

Using SPM, organizations can:



Align work with strategy more easily by separating investments from strategic priorities, allowing investment owners to define and drive work delivery.



Focus on strategic priorities by eliminating traditional, silo-based development of project proposals that only nominally align with corporate goals; ultimately the work that is defined and approved directly contributes to business success.



Optimize resource utilization and work delivery by creating a centrally managed portfolio with a single source of truth for scheduling, dependencies, and so forth.



Drive employee engagement by providing consistent communication of overall strategy, contextualized for all groups to help ensure that all contributors understand how their work supports organizational success.

SPM puts strategic planning front and center for organizations—right where it belongs. But of course, buying into a concept is only the first step in delivering performance improvements.



All departments, all investments, all work—aligned

One of SPM's crucial success factors is its ability to create alignment. That's when the work that is carried out agrees with both established strategic priorities and the benefits required to achieve organizational goals. But there's a lot more to it than that.

Creating common priorities

Another key area where alignment is a main differentiator is that it can coordinate all business areas and departments. By eliminating silos and creating common priorities across the entire enterprise, organizations remove misaligned investments and work. This also helps ensure that employees have a common understanding of what needs to be accomplished and achieved.

Using a top-down approach

One of the major contributors to the high failure rates of strategic initiatives is the historic bottom-up approach to project planning. Problems will inevitably arise when initiatives are proposed and must be forced to deliver benefits to organizational goals. By instead using a top-down approach and driving all investments directly from strategy, and then all work items directly from those investments, aligning work with objectives is much easier.

Leveraging integrated technology

Perhaps the most critical aspect of alignment is the technology. No matter how good their processes or how committed their people, organizations will struggle without an integrated set of technology solutions to support planning and delivery processes.

Work the way you want, let technology support you

Strategic planning tools can't stand alone, whether they are as simple as PowerPoint or as advanced as a dedicated planning solution. They must integrate with work execution tools whether that work is delivered through traditional, Agile, or hybrid approaches. And they must also integrate with other organizational technologies, such as human resources information systems, financial platforms, enterprise resource planning systems, customer relationship management solutions, and more. This is where a powerful SPM software solution becomes critical.

Gaining a holistic view

Strategic planning is a core part of how organizations operate, and the technology must reflect that. However, the technology must also integrate with an organization's operations and support to provide a holistic view of the enterprise. This is where companies need a shared technology platform across the enterprise, one that allows technology to work with the business—rather than forcing the business to comply because of technological limitations and barriers.

At the same time, the shared technology platform must be powerful in its own right. In addition to planning, it must:



Support intuitive, contextualized communications.



Have the ability to conduct modeling and portfolio analyses.



Be easy to maintain and use for continuous and adaptive planning.

Let's look at the key capabilities in more detail.



Capture, prioritize, and align

The process of establishing overall strategic priorities and setting goals is relatively straightforward, and it's something an experienced, engaged executive team can achieve with effective collaboration. But that's only the raw material for strategic planning. The real work starts by determining which investments offer the best chance to achieve those goals. With SPM, executives directly determine and approve investments and appoint an investment owner to execute.

Capturing investments in one place

But first, the potential investments need to be gathered. Strategic work comes from different places across the enterprise, including executives, business units and departments, customer demands, and more. All the proposed investments must be captured in one place to be effectively assessed and prioritized. That's where the right SPM tool comes in.

Integrating with service operations

Additionally, there are demands on funding from operations and support—and from the numerous regulatory, compliance, maintenance, and related initiatives that keep the organization running efficiently and effectively. While these may not be

managed in an SPM tool, the tool must be able to integrate with operations and service management tools. This is especially true in the IT space, where technology is so critical for today's enterprise operations.

Identifying initiatives that make the biggest contribution

When combined, these capabilities help executives see all proposed investments in a single portfolio backlog, with the context needed to gain insight into funding flexibility. Then, this backlog must be prioritized to identify initiatives capable of making the largest contribution to all objectives, while still deliverable with available resources (people, time, money).

Funding the right portfolio of investments

Portfolio modeling and analysis functionality allows for different proposed mixes to be assessed and identifies the challenges, risks, and opportunities with each option. It provides executives with the confidence they need to ultimately fund the right portfolio of investments aligned with all of their goals. Once that funding is in place, the approved investments need to be communicated.

Many ways of working, one roadmap

In recent years, roadmaps have become popular planning tools, but they're not all created equal. Roadmaps are visual tools that relay approved strategic investments to every stakeholder. They help ensure that all functions across all business areas have the same understanding of the work that is being carried out. Done well, roadmaps are intuitive tools that use colors, graphical connectors, icons and more to show schedules, dependencies, goals, milestones, and changes.

Organizations need to be able to communicate all work in a single roadmap, whether structured as a program, epic, product, or any other form of work. Agile, hybrid, and traditional (waterfall) teams must all be able to see how their work contributes, and executives must be able to understand how their objectives are being achieved as well as progress against all interim milestones.

And when changes happen—and they will—they must be quick to make, easy to explain, and clear for all stakeholders to understand.

Total control of your world, all in one place

Strategic planning isn't a once-a-year activity; it's continuous. And business leaders must know what is happening at all times. Organizations operate in environments that are constantly changing, with shifting customer expectations, emerging technologies, evolving regulatory frameworks, and so on. Keeping up requires ongoing and adaptive planning to ensure that priorities, investments, work, and outcomes remain optimally aligned. That requires the right information presented in the right way to drive the right decisions.

What you should expect from an SPM solution

World-class SPM solutions must provide the ability to view and assess performance against all portfolio investments, regardless of how work is being carried out. They must show current and forecast performance against benefits; provide accurate and complete information on resource capacity and actual, planned, and forecast costs; and allow all investments to be managed for their entire lifecycle, whether those investments are epics, projects, products, value streams, or something else.

SPM solutions must be able to provide critical information to all stakeholders:



Business leaders and portfolio managers need an enterprise view.



Investment owners must analyze the work being carried out to deliver their investments across all variables and dependencies.



Product, program, and project managers must oversee their initiatives to optimize the ability to deliver business outcomes.



Everyone should be able to adjust and adapt to a continuously evolving operational landscape.

To achieve all this, an effective SPM platform must provide both real-time reporting contextualized for all audiences and decision support analysis capabilities across all portfolio initiatives and data. That can only happen with an innovative solution operating with first-rate integrations, supported by effective processes and engaged employees.



The bottom line

Organizations need to improve their ability to deliver successful strategic initiatives and, in particular, focus on improving strategic planning. That's what drives the adoption of SPM. But for planning to be effective, it must be based on the right information. And it must generate a clear, easy-to-understand set of priorities, goals, and investments that all employees can commit to, which requires both engagement and effective business processes.

But smart planning also depends on the right tools. Almost 50% of planning still uses spreadsheets,² so it's no wonder failure rates are high.

An SPM tool you won't find anywhere else

ServiceNow offers something that no other provider can. ServiceNow Strategic Planning, part of the ServiceNow® Strategic Portfolio Management solution, aligns strategy and work into a straightforward and intuitive exercise, no matter how often adjustment is needed.

The goals framework in ServiceNow SPM allows executives to monitor progress and confirm that work aligns with goals. Personalized portfolio plans provide insight to all stakeholders in a way that makes sense to them. Easily and confidently prioritize plans and investments then communicate those plans with roadmaps, whether work is being delivered using traditional, Agile, or hybrid approaches.

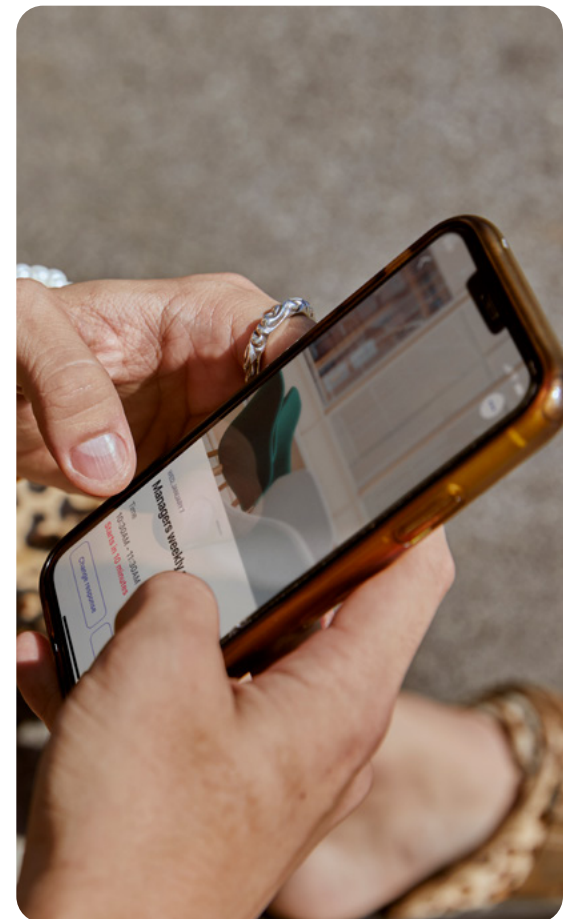
Plan, communicate, invest, deliver, manage, and adjust all in one place

Analytical tools support you with insights that help build confidence in decisions. And you get contextualized information for every stakeholder in strategic planning and delivery, plus the ability to quickly adjust and adapt with minimal disruption.

ServiceNow SPM is not only a world-class solution, but on the Now Platform® it becomes a core part of your entire enterprise. With ServiceNow, you can plan, communicate, invest, deliver, manage, and adjust all in one place, safe in the knowledge that you have complete, accurate, and current information.

²Board, [Global Planning Survey 2023](#), May 2023

Learn more about
[ServiceNow](#)
[Strategic Planning](#),
part of the
[ServiceNow](#)
[Strategic Portfolio](#)
[Management](#)
solution on the
Now Platform.



Additional resources about SPM:

[Transform digital operations: ServiceNow helps drive successful business outcomes with Strategic Portfolio Management](#)

[Goals: How strategy gets delivered](#)

[The Total Economic Impact™ of ServiceNow Strategic Portfolio Management](#)

[Strategic Portfolio Management: The thing you've been missing](#)