

DIGITAL STRATEGY:

Integrating Your Organization's Strategic
and Technology Goals



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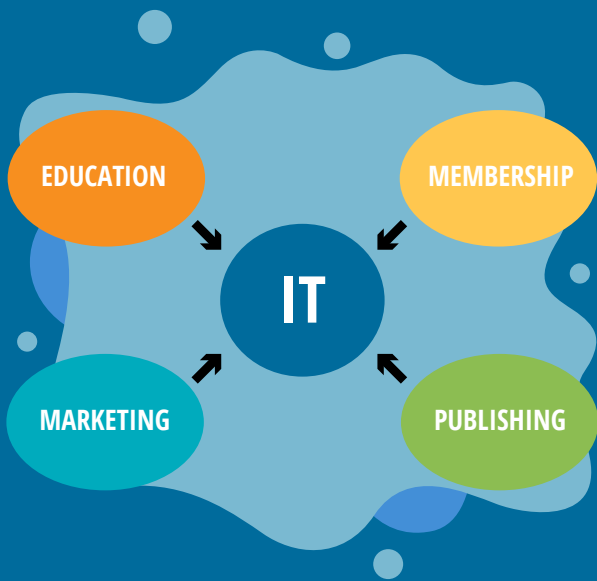
Duane Capuano
Principal

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IT Project Demand vs. IT Resources



The association's challenge is to decide which projects best meet the organization's strategic and operational goals.

Many associations are facing daunting challenges in the digital age. Their membership, marketing and professional development departments may have similar, overlapping or conflicting technology needs. Below are some examples of association department technology projects:

Department	Software/ System	Purpose
Marketing	E-mail Marketing	<ul style="list-style-type: none"> • Grow membership • Increase membership • Promote events
Membership	Association Management System (AMS)	<ul style="list-style-type: none"> • Improve the membership experience • Address operational efficiencies
Professional Development/ Education	Learning Management System (LMS)	<ul style="list-style-type: none"> • Help the organization provide one central location for members to find online and offline educational offerings
All Departments	Re-design Outdated Website, New Content Management System (CMS)	<ul style="list-style-type: none"> • Improve member experience • More easily produce content for the organization's website

IT Infrastructure vs. Digital Infrastructure

Exhibit 1

IT infrastructure encompasses hardware and software technology as well as the policies that support the day-to-day operations of the organization. Word Processing, Accounting and Virus software are examples of IT Infrastructure software. Hosting and Disaster Recovery are examples of IT hardware infrastructure and policies. (See Exhibit 1)

Digital infrastructure encompasses the software and platforms that enable organizations to achieve their strategic goals. Association Management System (AMS), Learning Management System (LMS) and E-mail Marketing software are examples of Digital software infrastructure. Website, Mobile, and Social Media are examples of Digital infrastructure platforms. Emerging technologies such as Artificial Intelligence and Virtual Reality are examples of software that could be part of an organization's Digital infrastructure in the future. (See Exhibit 1)

It is important to differentiate IT infrastructure expenses from Digital infrastructure investments. IT infrastructure expenses are needed to run the day-to-day operation of the organization. IT infrastructure investments should be viewed as the **minimum** an organization needs to spend on technology. **Digital infrastructure investments should be viewed over a three-to-five-year time period that mirrors the length of an organization's strategic plan.** Each investment such as a new AMS or website should be specifically tied to one or more strategic goals.

Associations typically have one information technology budget that combines information technology infrastructure expenses and Digital infrastructure investments. As a result, when it is time to invest in Digital infrastructure, associations are either reluctant to invest in or often under invest in Digital infrastructure because the year 1 costs of enterprise software (license+implementation fees) often exceed the organization's information technology budget.



Information Technology (IT) Resources vs. IT Project Demand

A major challenge facing associations is that they do not have adequate information technology resources to meet their information technology needs. Exhibit 2 provides an overview about how different size IT staffs handle IT infrastructure and Digital infrastructure projects.

Most associations have no information technology staff or a small information staff with insufficient resources. Associations with small or no IT staff typically outsource their IT and Digital infrastructure projects to an information technology vendor(s). Associations with larger IT staff typically can handle internal IT infrastructure projects but they often need to work with business units on Digital infrastructure projects.

Exhibit 2

Staff Resources	IT Infrastructure Projects	Digital Infrastructure Projects
No IT Staff	IT vendor(s)	Specific projects outsourced to IT vendors
Small IT /IT Staff with insufficient resources	IT Staff and IT vendor(s)	Specific projects outsourced to IT vendors
Sufficient IT Staff — Not Responsive	IT Staff	Business units work around IT department to outsource specific projects
Sufficient IT Staff — Responsive	IT Staff	Business units work collaboratively with IT department to outsource specific projects

Additional IT resource challenges for associations include:

- (1) An IT staff with strong technical skills but no senior management experience (e.g. *web master*)
- (2) Cross-department leadership issues between business units and IT department projects

A common cross-department leadership challenge within organizations is that business units get frustrated by the lack of responsiveness of their IT departments and decide to fund their own Digital infrastructure projects without consulting IT. As a result, IT departments are then forced into the unenviable position of having to implement software that they were not involved in selecting.



Executive Director and IT Executive Perspective: Technology Projects vs. IT Resources

Executive Directors and Information Technology Executives (for organizations that have IT directors) are receiving requests from multiple departments for IT projects and often do not know how to prioritize IT projects.



How does an Executive Director or an IT Director know if a new Learning Management System is more important to the organization than a new website?

How do I get my staff to think more strategically about technology?

In addition, getting the board of directors to approve a technology investment can be challenging because the Executive Director must understand the technology, develop a strategic rationale for the technology investment, and present a Return on Investment (ROI) case that justifies the investment.



Digital Strategy

Digital Strategy has three components:

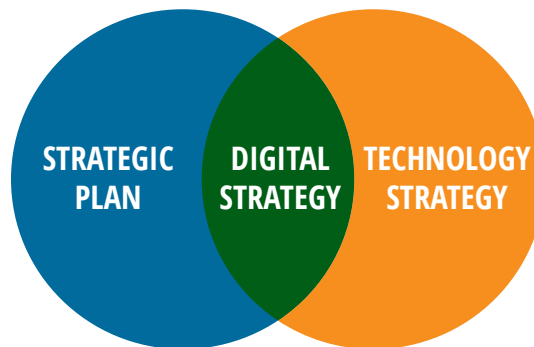
- (1) Financial
- (2) Strategic
- (3) Operational

The key questions that must be asked when developing a digital strategy are:

1. How is the organization's technology supporting its revenue?
2. How does the organization's technology support its strategic goals?
3. Is the organization's technology meeting its operational needs?

Most organizations have a strategic plan that includes the organization's goals and objectives for a three-to-five-year horizon. Some organizations have an information technology strategy. According to the CIO Index, an information technology strategy is an iterative process to align IT capability with business requirements. **Digital Strategy is at the intersection between an organization's strategy plan and their technology strategy.**

The goal of an organization's digital strategy is to enable an organization's technology to support its strategic goals. Digital Strategy typically includes a Digital infrastructure analysis and



the development of three to five technology investments that support an organization's strategic goals and meets its operational requirements.

Developing a Digital Strategy is important because it provides a roadmap for an organization's technology investments. Instead of having to go to the board of directors each year to ask for money to improve or replace outdated systems, the board is presented with a digital strategy that provides a three-to-five-year Digital infrastructure investment plan that links each technology investment to the organization's strategic goals and describes how each investment improves the organization's operations.

Many organizations base their technology investments on the operational needs of the organization without thinking about how or if the organization's technology is supporting its revenues and strategic goals. Technology investments based solely on the organization's operational needs make it difficult for organizations to make large technology investments because it is difficult to quantify the ROI based on improved operational efficiencies.

Linking the organization's technology investments to its strategic and revenue goals gives the organization's leadership the ability to think more long-term about technology and develop a better ROI case for technology investments.





Case Study

Overview

So how does an organization develop a Digital strategy? The following case study illustrates how a small staff healthcare association with no information technology staff and limited information technology budget developed and implemented its digital strategy.

The Society for Vascular Ultrasound (SVU) is a membership society dedicated to the advancement of noninvasive technology used in the diagnosis of vascular disease. SVU is a small-staff association that has 5,700 members. Its members include surgeons, vascular technologists, lab directors, academics and students. SVU has a \$1.4 million budget.



SVU'S 2015 Revenues

Revenue Source	Revenue	% of Total Revenue
Membership	\$800,000	57%
Annual Conference	\$325,000	23%
Publishing	\$120,000	8.5%
Education	\$100,000	7%
Other	\$55,000	4.5%
Total Revenue	\$1,400,000	
Total IT Expenses	\$56,000	4%

SVU's Information Technology expenses were \$56,000, which was about 4% of total revenue.

SVU faced several challenges. SVU did not have a strategic plan, had a limited information technology budget and had no information technology staff. SVU's Digital infrastructure challenges included staff frustrations with SVU's Association Management System (AMS), Learning Management Systems (LMS) and an outdated website.

In order to address SVU's Digital infrastructure challenges, SVU's Executive Director had to answer the following questions:

- **How does SVU prioritize its IT Infrastructure issues?**
- **Are there other issues with SVU's IT Infrastructure that need to be addressed?**
- **How does SVU justify IT investments to its Board of Directors?**



The first step to developing a digital strategy is to analyze the current Digital infrastructure of an organization from three perspectives: (1) Financial, (2) Strategic and (3) Operational. Below is a summary of how SVU's Digital infrastructure supports its financial, strategic and operational objectives.

Financial

Key Question: How does SVU's existing Digital infrastructure support its revenues?

Revenue Source	2015 Revenues	Digital Infrastructure
Membership	\$800,000	AMS Community E-mail Marketing
Annual Conference	\$325,000	AMS Community E-mail Marketing Event App
Publishing	\$120,000	Abstract Management Publishing (Journal) Content Management Software (CMS)
Education	\$100,000	LMS Webinar/Virtual Software E-mail Marketing



Membership/Annual Conference Revenue:

AMS supports SVU's membership and annual conference revenue by giving members a database platform to:

- **Join/renew membership**
- **Register online for annual conference and other events**
- **Purchase products online from the association.**

In addition, SVU's AMS supports annual conference revenue Cross-department leadership by giving the association a database to manage exhibitor data.

Community software supports membership revenue by giving the association the ability to increase engagement among its members by making it easier for members to communicate with other members in the association who have similar interests and giving members a resource to research answers to challenging issues and questions.

E-mail marketing software supports membership and annual conference revenues by giving SVU the ability to grow membership and increase engagement, communicate its member benefits (e.g. professional development) and market SVU programs including the annual conference.

Publishing Revenue:

Publishing software supports SVU's Publishing revenue by giving SVU the ability to provide its Journal both online and in print.

Abstract Management software is used by SVU's Abstract Review committee to review, evaluate and score abstracts that are submitted.

CMS supports SVU's Publishing revenue by giving SVU the ability to produce e-newsletters, news and other content for SVU's website.

Education Revenue:

LMS supports SVU's education revenue by giving SVU's members the ability to view and register for CME (both in-person and online) and track their CME credits.

Webinar software support's SVU's education revenue by giving members the ability to register and attend online webinars for CME credits.

E-mail marketing software supports education revenue by giving SVU the ability to market its professional development courses (in-person and online), articles and other educational offerings.



Strategic

Key Question: How can SVU's Digital Infrastructure Support its Strategic Initiatives?

In 2016, SVU developed a strategic plan and had the following strategic objectives:

1. **Make the profession relevant, establish the value and quality of vascular sonography.**
2. **Address early career skills gaps, no clear career ladder, preference for low cost, hands-on learning.**
3. **Make external audiences aware of the clinical value of vascular ultrasound and its patient outcomes.**

Below are the goals and key tasks for each strategic objective.

	Initiative One	Initiative Two	Initiative Three
Goal	Make profession relevant, establish the value and quality of vascular sonography.	Address early career skills gaps, no clear career ladder, preference for low cost, hands-on learning.	Make external audiences aware of the clinical value of vascular ultrasound and its patient outcomes.
Key Activities/ Tasks	Produce "thought leadership" papers, studies and research	Targeted cutting-edge training	Drive recognition of our clinical value with policy makers, build health community awareness and support
Audience	(1) Policymakers, (2) Healthcare Community	(1) Internal Audiences: Early, Mid, and Late Career; and Physicians, (2) External Audiences: Administrators, Managers, Educators	(1) External Audiences: State Legislatures, Primary Care, Family Practice physicians, Emergency Room Physicians, Patients

The strategic assessment of SVU's IT Digital infrastructure is based on the following key questions:

- **What is the software/system(s) needed to accomplishment the goals of each strategic initiatives?**
- **Are there software/systems in the market (vs. SVU's current software/system) that are a better fit for SVU's strategic initiatives?**

Below is an overview of how the software/systems are needed to accomplish the goals of each strategic initiative. *What is the software/system(s) needed to accomplishment the goals of each of the strategic initiatives?*

Digital Infrastructure	Initiative One	Initiative Two	Initiative Three
	Make profession relevant, establish the value and quality of vascular sonography.	Address early career skills gaps, no clear career ladder, preference for low cost, hands-on learning.	Make external audiences aware of the clinical value of vascular ultrasound and its patient outcomes.
AMS	Y	Y	Y
Community	Y	Y	Y
LMS	N	Y	N
Webinar/Virtual Event	N	Y	N
Publishing (Journal)	Y	N	N
Abstract Management	Y	N	N
CMS	Y	Y	Y
E-mail Marketing	Y	Y	Y
Social Media	Y	Y	Y

Initiative One

Producing "thought leadership" papers and studies will require publishing, abstract management and content management software. Marketing to external audiences will require an AMS with Customer Relationship Management (CRM) capabilities, E-mail Marketing software, and Social Media tools. Community software and Social Media software tools will also be needed to recruit SVU members to produce thought leadership papers and studies.

Initiative Two

Developing targeted cutting edge and low-cost training will require an LMS and webinar/virtual event software. AMS, Community, E-mail marketing, and social media software will be needed to market new training opportunities to SVU's internal target markets (e.g. Early/Middle/Late Career) and External audience such as administrators, managers and educators.

Initiative Three

As discussed in Initiative One, Marketing to external audiences (e.g. Policy makers, Primary Care Physicians) will require an AMS with CRM capabilities, E-mail Marketing/Marketing Automation, and Social Media tools. Community software will also be needed to help SVU utilize its members to build Healthcare Community awareness.

Are there are other software/systems in the market (vs. SVU's current software/system) that are a better fit for SVU's strategic initiatives?

Digital Infrastructure	Initiative One	Initiative Two	Initiative Three
	Make profession relevant, establish the value and quality of vascular sonography.	Address early career skills gaps, no clear career ladder, preference for low cost, hands-on learning.	Make external audiences aware of the clinical value of vascular ultrasound and its patient outcomes.
AMS	Y	Y	Y
Community	N	N	N
LMS	N/A	Y	N/A
Webinar/Virtual Event	N/A	Y	N/A
Publishing (Journal)	N	N/A	N/A
Abstract Management	N	N/A	N/A
CMS	Y	Y	Y
E-mail Marketing	N	N	N
Social Media	Y	Y	Y



Initiative One

SVU'S Community, e-mail marketing, publishing software are market leaders and are a good fit for Initiative One. SVU's Abstract management software currently meets SVU's operational requirements and is one of numerous vendors in a very fragmented abstract management software market.

SVU's AMS software, however, is considered a laggard in the AMS Market. There are other AMS vendors in the market that would provide much better support to the strategic initiatives. SVU's CMS has limitations and there are at least three other CMS platforms that have been deployed on more websites and could be a better fit for Initiative One.

Initiative Two

SVU's current LMS is one of several relatively new LMS products in the market. There are several other LMS products (both new and established) in the market that could be a better fit for Initiative Two. SVU's current webinar/virtual event product is one of numerous webinar products in the market. There are at least three webinar/virtual event products that could be a better fit for Initiative Two.

Initiative Three

As discussed in Initiative One, SVU's existing AMS is a market laggard. There are other AMS vendors in the market that would be a much better fit for Initiative Three. SVU'S Community, e-mail marketing are market leaders and would be a good fit for Initiative Three.

SVU's current CMS was developed by its current community software vendor. The current CMS platform has limitations and there are at least three other CMS platforms that have been deployed on more websites and could be a better fit for Initiative Three. SVU's social media tool is one of numerous tools in the market and should be evaluated against the market leaders to determine which is the best social media tool for SVU.



Operational

Key Question: How does SVU's Digital Infrastructure Meet its Operational Requirements?

In order to determine whether or not an organization's Digital infrastructure is meeting its operational requirements, two key questions need to be asked:

- **Does the software/system meet the SVU's staff/member needs?**
- **Does the software system integrate with SVU's other systems?**

Below is an operational assessment of SVU's Digital i.Infrastructure.

Department/ Function	Digital Infrastructure	Fit with Staff Member/Needs (Y/N)	Integrates with Other Systems (Y/N)
Membership	AMS	N	N
	Community	Y	Y
	Event App	N	N
Education	LMS	N	Y
	Webinar/Virtual Events	Y	N
Publishing	Abstract Mgmt.	Y	N
	Publishing	Y	N
	CMS	Y	Y
Marketing	E-mail Marketing	Y	N
	Social Media	N	N

AMS and LMS are the two major enterprise systems that are not meeting the needs of the SVU staff. SVU's major problem with its AMS were integration issues with its other enterprise systems. For example, SVU's financial and e-mail marketing systems were not integrated with its AMS which resulted in duplicate data entry of financial data and inaccurate e-mail lists for e-mail marketing. SVU's key issues with its LMS were: (1) Integration issues with its AMS and (2) User Interface Issues that made taking SVU's CME courses very cumbersome.

Setting Technology Priorities

In order to prioritize an organization’s technology investments, two key questions need to be asked:

1. Does the software/system fit with SVU’s strategic priorities?
2. Does the software system fit with SVU’s operational requirements?

Below is an overview of how SVU’s Digital infrastructure meets its strategic and operational requirements.

Category	Digital Infrastructure	Fit with Strategic Requirements (Y/N)	Fit with operational requirements (Y/N)
Membership	AMS	N	N
	Community	Y	Y
	Event App	N	N
Education	LMS	N	N
	Webinar/Virtual Events	N	Y
Publishing	Abstract Mgmt.	Y	Y
	Publishing	Y	Y
	CMS	N	Y
Marketing	E-mail Marketing	Y	Y
	Social Media	N	N

Based on an analysis of SVU’s strategic and operational priorities, AMS, LMS and CMS (Website) were identified as SVU’s enterprise software priorities.

SVU’s AMS and LMS were considered priorities because neither system met SVU’s strategic and operational requirements. Although SVU’s CMS fit SVU’s operational requirements, it was not a good fit for SVU’s strategic requirements. In addition, SVU had made a website redesign a major operational priority since the website had not been re-designed in five years. A new website redesign could mean that SVU would need a new CMS.

SVU 2018-2020 Digital Infrastructure Budget

Digital Infrastructure	2017	2018	2019	2020
AMS		X		
Website/CMS			X	
LMS				X
Webinar/Virtual Events				
E-mail Marketing				
Community				
Abstract Management				
Event App				
Total Digital Infrastructure Expenses	\$40,000	\$90,000	\$125,000	\$80,000
IT Infrastructure Expenses	\$20,000	\$20,000	\$20,000	\$20,000
Total IT Expenses	\$60,000	\$110,000	\$145,000	\$100,000

X - Digital Infrastructure Investment Priority

SVU's Digital infrastructure challenges included staff frustrations with their SVU's AMS, LMS and an outdated website. In order to address SVU's Digital infrastructure challenges, SVU's Executive Director had to answer the following questions:

- **How does SVU prioritize its IT Infrastructure issues: (1) AMS, (2) LMS and (3) Website?**
- **Are there other issues with SVU's IT Infrastructure that need to be addressed?**
- **How does SVU justify IT investments to its Board of Directors?**

SVU prioritized its Digital infrastructure investments based on its strategic and operational requirements. SVU's Executive Director justified the proposed IT investments by aligning the investments with SVU's strategic priorities. AMS, Website Redesign/CMS and LMS were SVU's top investment priorities. SVU presented a Digital infrastructure assessment report and a 2018-2020 IT Budget (See above) to its board which included investments in an AMS, Website/CMS and LMS. The board approved the digital strategy and budget in late 2017.

Since SVU developed its digital strategy, it has: (1) Implemented an AMS in November 2018, (2) Launched a new website in February 2020 and (3) Will conduct an assessment of its LMS vs. other vendors in late 2020.

Conclusion

Associations face significant challenges in the Digital age. Executive Directors and IT Directors (for organization's that have IT directors) receive requests from multiple departments for IT projects and often do not know how to prioritize projects. Many associations do not have adequate staffing resources to address their technology challenges.

Developing a Digital strategy provides a framework for an organization to prioritize its technology projects. Digital strategy typically includes: (1) Digital infrastructure analysis and (2) Development of three-to-five technology investment plan that support an organization's strategic goals and meets its operational requirements.

As illustrated in the SVU's Case Study, Digital strategy has three components: (1) Financial, (2) Strategic, and (3) Operational. To begin assessing your organization's digital infrastructure, three key questions need to answered:

- **What is the digital infrastructure that supports your organization's primary sources of revenue?**
- **How are your organization's technology investments linked to its strategic plan?**
- **To what extent is the digital infrastructure of your organization meeting the needs of your staff and your members?**

Digital infrastructure assessment worksheets to help your organization answer each of the above questions are provided in the appendix.



APPENDIX

How does your organization's Digital infrastructure:

- Support its revenue?
- Enable the implementation of its strategic objectives?
- Meet its operational requirements?



How Does Your Organization Digital Infrastructure Support its Revenue ?

Revenue Source	Revenues	Digital Infrastructure Checklist	Vendor
Membership/Annual Conference		Association Management System (AMS) Community E-Commerce Event Management	
Publishing		Abstract Management Publishing (Journal) Content Management Software (CMS)	
Education		Learning Management System (LMS) Webinar/Virtual Software	
Other			

How does your Organization's Digital Infrastructure Support its Strategic Initiatives ?

	Digital Infrastructure Software Categories			
Strategic Initiative/Goal	Member Software (e.g. AMS)	Education Software (e.g. LMS)	Publishing Software (e.g. CMS)	Marketing Software (e.g. E-mail Marketing)

How Does Your Organization's Digital Infrastructure Meet its Operational Requirements

Category	Digital Infrastructure	Fit with Staff Member/ Needs (Y/N)	Integrates with Other Systems (Y/N)
Membership	Association Management System (AMS) Community Event Management		
Education	Learning Management System (LMS) Webinar/Virtual Events		
Publishing	Abstract Management Publishing Content Management Software (CMS)		
Marketing	E-mail Marketing Social Media		



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Contact us for more information about digital strategy and SVU's case study.

Duane Capuano

Senior Consultant

703-255-1186

duane@successroadsllc.com

