

# strategy, business case and open source

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libraries in all sectors face the challenge of relentless, disruptive, technology-driven change and tough economic times

any organization under such pressure risks making decisions without a full appreciation of their strategic importance

**34%**

of projects..were not aligned with..strategy

'Why your IT project may be riskier than you think.'

By Bent Flyvbjerg & Alexander Budzier. Harvard Business Review. September 2011

Citing: 'The art of project portfolio management.' By Sascha Meskendahl, Daniel Jonas, Alexander Kock and Hans Georg Gemunden

<http://mpm.tim.tu-berlin.de/fileadmin/docs/MPM-Artikel.pdf>





# why is strategic *focus* important?

libraries must **compete** with all kinds of other providers such as Google, Amazon, Wikipedia, LibraryThing, acadreamia etc etc.

the point is your users can go elsewhere to meet (some of) their 'library' needs

# why is strategic *focus* important?

what **value** do our services provide?

why should people use *our* services instead of alternatives?

how can we increase the value we offer to beat the competition?

why will users prefer our services-what added value do they offer?

this presentation is based on work I have been doing with academic and public libraries and some businesses in the library & information sector.

so today....

elements of a strategy

elements of a business case

where might open source fit into the above?

I'll explore some tools/approaches  
to help us focus our thinking

in the short time I have I can only scratch the surface...these  
issues take time and effort to work through



# strategy is ***NOT...***

**vision** : where we want to be -- an indeterminate future goal

**mission:** why the organization exists -- the motivation for being in the business

**values** : what we believe in and how we will behave

# strategy

strategy is related to the mission but, whilst a mission statement might be shared amongst several or even many institutions, the strategy will be *particular to the organization*

Adapted from: 'Can you say what your strategy is.' By David J Collis and Michael G Rukstad. Harvard Business Review. April 2008

# elements of strategy

## objective

the single precise objective that will drive the organisation over the next 3-5 years or so

## scope

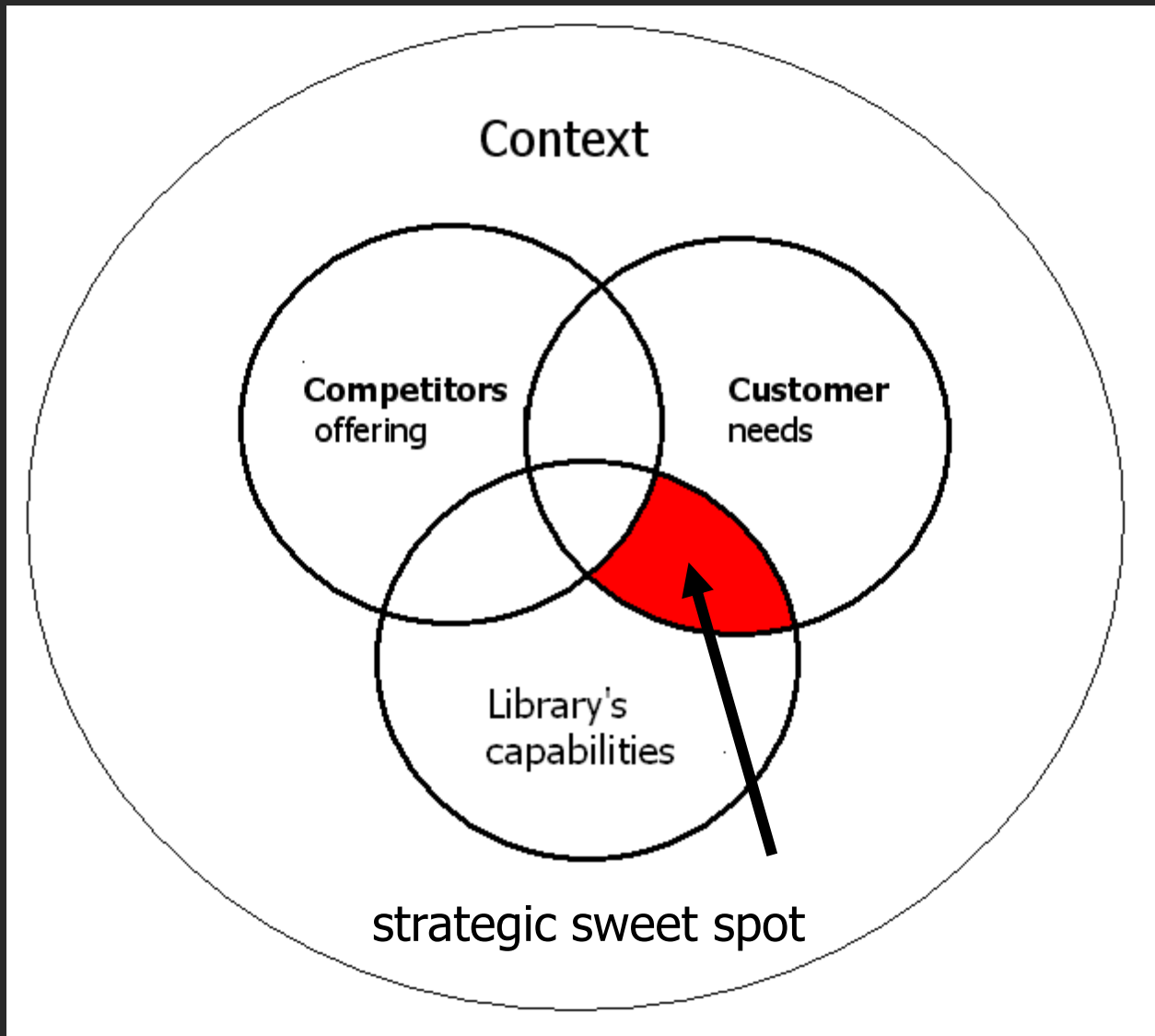
in some sense this can be most helpfully understood by identifying what the organisation will *not* do: what needs it will *not* address

## advantage

this is the most critical aspect in developing an effective strategy statement

it means really understanding the value that the organisation brings to the customer

# where is it best to focus?



# to formulate a great strategy

is not easy and takes time and effort

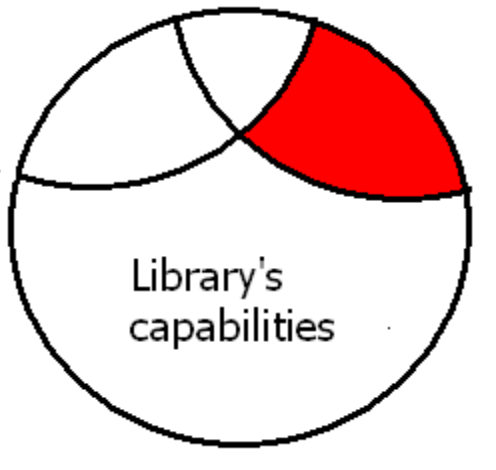
you need to....

understand the **context**

understand the **competition**

understand your **customers needs**

**and your organization's  
capabilities....**



# what are our capabilities?

***capability***: the ability to reliably and consistently deliver a specified outcome, relevant to your business

'The essential advantage. How to win with a capabilities driven strategy' Paul Leinwand and Cesare Mianardi. Harvard Business Review Press. 2011



# a capabilities approach

## *essential advantage*

an ingrained ability to succeed...sustained over time, and is almost impossible to copy (i.e. as opposed to a transitory advantage)



# a capabilities approach

what are the three to six capabilities that describe what we do uniquely better than anyone else?

can everyone in the organization articulate our differentiating capabilities?

is our leadership reinforcing these capabilities?

'The essential advantage. How to win with a capabilities driven strategy' Paul Leinwand and Cesare Mianardi. Harvard Business Review Press. 2011

# a capabilities approach

**'way to play'** (in the market)..means.....

a considered approach for creating and capturing value in a particular market..it means...

having those capabilities that **set the organization apart from competitors**, or be superior to those rivals.

having not just great capabilities but the **right capabilities**

knowing your organization has what it takes to **genuinely satisfy customers** in that market and beat the competition

your capabilities have to be **stronger than competitors'** and based on the long, not short, term

# a capabilities approach

## *the 'right to win'*

the confidence held by organizations with an essential advantage

it works by prioritizing what the organization does best

in tandem with the *way to play*, it creates a strong model for success

basically, it means taking what you do well and putting it into practice in the library market

**so what about the business  
case?**

# why prepare a business case?

a business case provides the background and information necessary to **convince others** to support a new proposal.

often the support required is a **commitment of financial resource**.

# business case -as a general rule...

demonstrate why your proposal is the preferred option

-- give other options and

-- the consequence of doing nothing

the level of detail in the business case should reflect the scale of the proposal---a long business case does not necessarily mean a good business case

put the detail in appendices

# business case building blocks

summary-  
demonstration of  
strategic fit

description of  
proposal

market analysis

options

cost

resource  
requirements

risk assessment

project  
implementation  
and review

# some common errors

- over-optimistic projections – too much to be delivered too soon
- inadequate market research
- underestimation of the resource requirements - particularly support
- insufficient attention to the full economic cost
- writing the plan to give the answers you want – doesn't necessarily convince others



so where does open source fit  
in?

# what factors can open source contribute to a strategy?

in particular how will it make us more competitive and increase the value of our offering?



North Bridge Venture Partners Future of Open Source survey 2010

# what factors can open source contribute to a strategy?

'lower costs and improve software quality'

'The cathedral and the bazaar.' Eric Raymond. O'Reilly. Rev. edition 2001

# what factors can open source contribute to a strategy?

**low cost** has helped open source endure the economic downturn and emerge even healthier. For the third year, survey respondents said that low costs are the most attractive aspect of open source technology.

# what factors can open source contribute to a strategy?

## total cost of ownership (TCO)

over the lifetime of use of the software there will be a number of internal costs (e.g. staff training, upgrading hardware and networks), and possible external costs (e.g. through the use of third-party support and maintenance). These are known collectively as the Total Cost of Ownership (TCO).

on a spectrum of costs that ranges from fully self-supporting (all work is carried out in-house) to fully outsourced (all work is undertaken by third parties), closed source software requires IT departments to operate at or near the fully outsourced end of the spectrum. **With OSS there is more flexibility: IT departments can choose how much they want to outsource and how much they want to do in-house.** This means that the TCO can be leveraged as a budget, to create longer-term investment value for an institution.

# what factors can open source contribute to a strategy?

**freedom from vendor lock in.** open source software does not 'go out of print'. The source code is available to all. If you don't like the support you get you can go elsewhere or do it yourself.

open source tends to be based on open standards -no 'vendor' interest in locking you into a proprietary standard

# what factors can open source contribute to our strategy?

"**rapid innovation**" is perhaps the most exciting new driver we identified. Buyers now specifically recognize that open source delivers innovation faster than proprietary software - **a significant competitive advantage** in a today's challenging business environment..... Without the burden of a long product development cycle, open source software can create and release new features immediately by the people and organizations that need them.

# what factors can open source contribute to a strategy?

**community:** We are convinced that collaborative efforts to build open source applications can produce software that **better meets the needs of partner institutions** and also has the potential to benefit the broader community, should these efforts attract an expansive base of contributors over time.

This belief is largely founded on the hope of **overcoming the historical disconnect between producers of software and HE users**, who have complex, unique, and poorly understood needs.



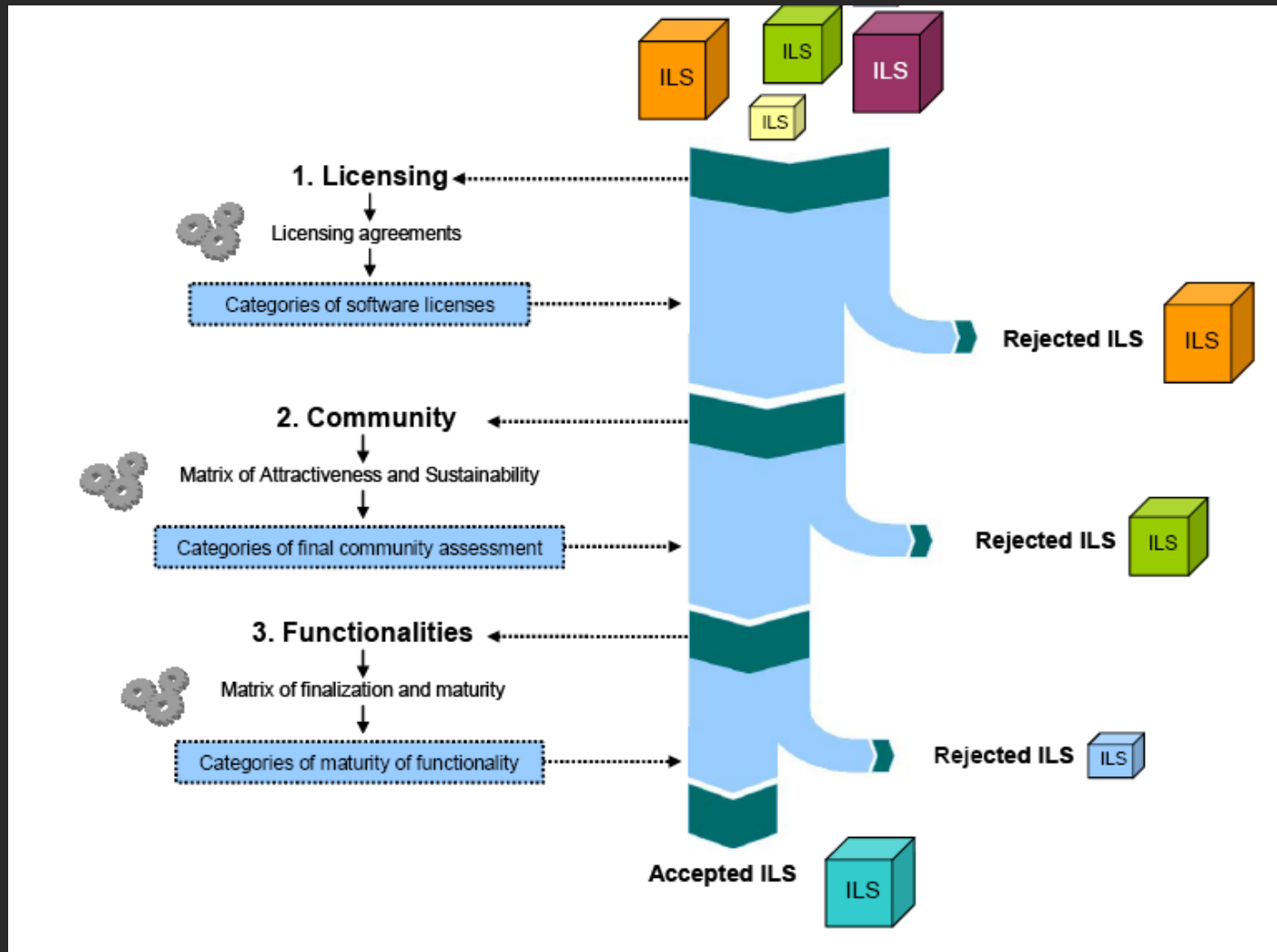
# what factors can open source contribute to a strategy?

## options and flexibility

'the real value of OSS is that it makes it possible for you to exercise control over how you run your institution's IT department by allowing you to choose a model on any point on the spectrum that runs from fully self-supporting to fully outsourced. In turn, this **allows institutions to choose the extent to which they want, and are able to, take advantage of the strategic organisational gains** that accrue from the use of open data standards and open source software.'

Decision factors for open source software procurement. Open Source software advisory service (OSS watch)  
[http://www.oss-watch.ac.uk/resources/procurement-infopack.xml#body.1\\_div.4](http://www.oss-watch.ac.uk/resources/procurement-infopack.xml#body.1_div.4)

# “How to Choose an Free and Open Source Integrated Library System”



By **Tristan Müller**. Fondation pour une Bibliothèque Globale, Québec, Canada

Published on OCLC Systems & Services: International digital library perspectives. Vol. 27, no. 1, 2011, pp. 57-

<http://eprints.rclis.org/bitstream/10760/15387/1/How%20to%20choose%20an%20open%20source%20ILS.pdf>

# “How to Choose a Free and Open Source Integrated Library System”

‘Findings: More than 20 open source ILS’s were submitted to this methodology but only 3 passed all the steps: Evergreen, Koha, and PMB. The main goal is not to identify the best open source ILS, but rather to highlight which, from the batch of dozen open source ILS, librarians and decision makers can choose from without worrying about how perennial or sustainable each open or free project is, as well as understanding which ILS provides them with the functionalities to meet the needs of their institutions.’

**By Tristan Müller.** Fondation pour une Bibliothèque Globale, Québec, Canada

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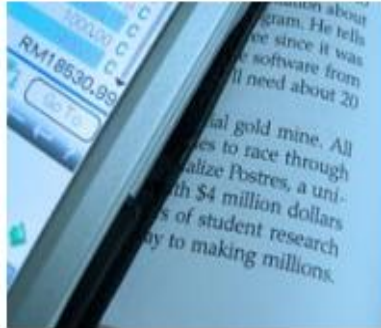
<http://eprints.rclis.org/bitstream/10760/15387/1/How%20to%20choose%20an%20open%20source%20ILS.pdf>

over to you...where do open  
source library systems fit in to  
*your* strategy and business case?

# need help.....?

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### What's the future for libraries?

*Open source, open data, cloud computing, 'unified resource management' (URM), new business models, disruptive innovations..it can be a confusing landscape...*

### Who we help

We work with businesses, libraries, government agencies, universities, local authorities--indeed anyone with an interest in libraries.

### What we do

Our services enable libraries to deliver improved services and reduce costs through more effective and imaginative use of technology

We review/audit library IT infrastructure and systems, help with strategy, requirements and the procurement of new and replacement systems

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