THE PROJECT MANAGEMENT FRAMEWORK EMBODIES A PROJECT LIFE CYCLE AND FIVE MAJOR PROJECT MANAGEMENT PROCESS GROUPS.

OH NO! THE EXTREME LEVEL OF ABSTRACTION HAS MADE US WEIGHTLESS!

THAT DOESN'T EVEN MAKE SENSE.

Source: https://dilbert.com/strip/2012-01-07
Performance Management Academy

Day 4:
Strategic Planning, Performance Measurement, & Customer Identification
Today’s Speakers

Jonathan Meyer
Budget Analyst
Office of State Budget & Management

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Budget Analyst
Office of State Budget & Management

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UNC-Chapel Hill
School of Government
Evidence
Consider & write down 1-2 ways you can incorporate evidence via:
• Budget change request (existing/new program)
• Contracts/Grants (existing program/new program)
• Program Operations (existing program)

Strategic Plan
Find & review strategic plan before next session
## Today’s Agenda

<table>
<thead>
<tr>
<th>Agenda Item</th>
<th>Time</th>
</tr>
</thead>
<tbody>
<tr>
<td>Welcome / Introduction / Recap / Discuss Homework</td>
<td>10 min</td>
</tr>
<tr>
<td>Introduction to Strategic Planning</td>
<td>15 min</td>
</tr>
<tr>
<td>Key Concepts for Bridging Strategic Planning and Performance Management</td>
<td>35 min</td>
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<tr>
<td>- ACTIVITY: Strategic Plan Components</td>
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<tr>
<td>Monitoring Strategic &amp; Performance Plans</td>
<td>5 min</td>
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<tr>
<td>BREAK</td>
<td>15 min</td>
</tr>
<tr>
<td>Performance Management – Analysis and Decision-Making</td>
<td>90 min</td>
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<tr>
<td>Recap / Out</td>
<td>10 min</td>
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</tbody>
</table>
“Performance management in the public sector is an ongoing, systematic approach to improving results through evidence-based decision making, continuous organizational learning, and a focus on accountability for performance”

**Goal**: Improved results for the public
Introduction to Strategic Planning
What is a Strategic Plan and why create one?

• Articulates a **framework of ideas** that justifies actions and results in greater focus & collaboration

• Envisions a **desired future** and translates it into **goals and objectives** to achieve that vision by answering:
  • Where do we want to go?
  • Where are we?
  • How can we get there?
  • How will we know when we arrive?

• Transforms ideas into **Action Plans** or **Performance Plans** by identifying the **What?**, **Who?**, and **When?** (Often by a **Goal Champion**)
How to create a strategic plan?

**Executive Management**
- Scope your plan, stakeholders, & timeline, and identify planning team
- Develop your mission, vision, & values
- Develop department wide goals
- Review & approve plan and metrics

**Division Heads**
- Develop objectives for each division

**Program & Bureau Leads**
- Develop a performance metric for each objective

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**Plan Your Plan**
- Executive Mgmt.
- Identify Strategic Plan Stakeholders; Plan Longevity; Drafting Team; Timeline to Draft plan
- Questions to Answer when Drafting:
  - Who is our plan for & How many years will our plan cover?
  - Who will draft the document & what is the completion timeline?

**Develop Mission, Vision, & Values**
- Executive Mgmt.
- Often established or mandated
- Survey to Division Leads, Program Leads, or entire staff based on org size
- Questions to Answer when Drafting:
  - What do we do that no other organization can do?
  - Who are our "customers"? How does this impact what we do?

**Conduct Environmental Scan**
- Executive Mgmt.
- SWOT/ Survey to Division Leads, Program/Bureau Leads, or entire staff
- Questions to Answer when Drafting:
  - Who are my direct customers/ stakeholders/beneficiaries?
  - What factors drive my customer base? How do we account for these?

**Develop 5-5 Department-wide Goals**
- Executive Mgmt.
- Affinity Mapping to organize & prioritize SWOT/survey responses
- Assign a goal for top priority issues
- Questions to Answer when Drafting:
  - Which key efforts can we take to pursue our Mission?
  - How do we support statewide priorities through our plan?

**Develop Objectives for each Division**
- Division Heads
- SWOT/ Survey to Program Leads
- Affinity Mapping
- Assign an Objective for each priority
- Questions to Answer when Drafting:
  - Is the Objective “SMART”?
  - Is there alignment between the Goals & the Objectives?

**Develop Performance Metrics**
- Division Heads & Program Leads
- Working Session with Division Heads & Program/Bureau Leads
- Questions to Answer when Drafting:
  - What data do we need to see if we are achieving our Objectives?
  - Do we have the right infrastructure to collect & analyze data?

**Review & Approval of Plan & Metrics**
- Executive Mgmt.
- Iterative Revision process with Division Heads
- Questions to Answer when Drafting:
  - Is there alignment between the Goals, Objectives, Strategies, & Tasks?
  - Are Objectives “SMART”?
**How to use a strategic plan?**

**OSBM uses plans:**
- As a source of information on agency operations
- To understand agency priorities
- To provide context for future changes
- To evaluate change budget requests

**During quarterly meetings, OSBM will:**
- Ask about progress toward the goals, objectives, and performance measures outlined in an agency’s strategic plan

Source:
https://www.stockvault.net/photo/252639/silhouette-of-business-meeting
Agencies should use plans to:

• To set priorities, especially for resource allocation

• To increase transparency and accountability

• To improve internal and external communication

• To enable benchmarking / performance evaluation
What’s Next for Strategic Plans?

• OSBM requests that agencies submit a new **2021-23 strategic plan** by May 1st, 2021.
  
  • Guidance for the 2021-23 biennium and a strategic plan template can be accessed on [OSBM’s website](#).

• OSBM/Agency **Quarterly Check-in meetings**

• Reach out to your Budget Development Analyst to set up a working session

• Sign up for the newly established statewide [Performance Management Community of Practice](#)
Questions?
Performance Measurement

• Ongoing, systematic tracking of information relevant to policies, strategies, programs, projects, goals, objectives, and/or activities
• Clearly defines the method and unit of measurement for a desired event
• Informs the success of your strategies in meeting a goal/objective

Like Strategic Plans, Performance Measures can:

• Facilitate accountability & transparency
• Align employees and their efforts
• Improve resource allocation
• Allow for benchmarking
• Enhance decision-making capacity
### Using Strategic Plans for Measuring Performance

<table>
<thead>
<tr>
<th><strong>The Purpose</strong></th>
<th>The public manager’s question that the performance measure can help answer</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Evaluation</strong></td>
<td>“How well is my agency performing?”</td>
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<tr>
<td><strong>Control</strong></td>
<td>“How can I ensure that employees are doing the right things?”</td>
</tr>
<tr>
<td><strong>Budgeting</strong></td>
<td>“On what programs, people, or projects should my agency spend the public’s money?”</td>
</tr>
<tr>
<td><strong>Motivation</strong></td>
<td>“How can I motivate line staff, middle managers, collaborators, stakeholders, and citizens to do the things necessary to improve performance?”</td>
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<tr>
<td><strong>Promotion</strong></td>
<td>“How can I convince political superiors, legislators, stakeholders, journalists &amp; citizens that my agency is doing well?”</td>
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<tr>
<td><strong>Celebration</strong></td>
<td>“What accomplishments are worthy of celebration?”</td>
</tr>
<tr>
<td><strong>Learning</strong></td>
<td>“What is working or not working? Why?”</td>
</tr>
<tr>
<td><strong>Improvement</strong></td>
<td>“Who / what is underperforming? Where should improvement efforts be focused?”</td>
</tr>
</tbody>
</table>

**Source:** Behn, Robert D. : “Why Measure Performance? Different Purposes Require Different Measures”  
https://www.jstor.org/stable/3110101
- Customer
- Mission
- Goals
- Objectives
- Initiatives
- Process
- Metrics
- Environment
Breakout Activity: Strategic Plan Components
Breakout activity (35 minutes):

1. Read the strategic plan component definitions.
2. Consider the performance planning key questions for each component
3. Read the NC OSBM example of each component provided
4. Provide a similar example from your strategic plan.
5. Answer: “Does this plan meet the definition of a strategic plan component? Can it be improved upon? If so, how?”
6. Repeat this process for each strategic plan component.

Consider as you discuss each component: Are all strategic plan components logically aligned?
## Customers

<table>
<thead>
<tr>
<th>Type</th>
<th>Definition</th>
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<tbody>
<tr>
<td>Direct / Primary Customer</td>
<td>Person or group that consumes the product or service provided</td>
</tr>
<tr>
<td>Stakeholder</td>
<td>Person or group that affects or is affected by the product or service provided, but does not directly consume product/service</td>
</tr>
<tr>
<td>Beneficiary</td>
<td>Person or group that <em>indirectly</em> benefits from the product or service provided</td>
</tr>
</tbody>
</table>
• Direct / Primary Customer Example: Governor

• Stakeholder Example: State Agencies

• Beneficiary Example: The Public
**Definition:** Why your dept/org exists, which customers it serves

**Key Questions for Performance Planning:**
- What is it that we do that no other organization can do?
- What major responsibilities or outcomes is the organization accountable for?
Mission Example:

NC Office of State Budget and Management

“To professionally serve North Carolinians by providing objective information and analysis to ensure a balanced budget and effective stewardship of public resources.”
**Definition:** The world outside your department

**Key Questions for Performance Planning:**
- Who are my direct customers, stakeholders and beneficiaries?
  - What are their different needs/priorities?
- What resources are available?
  - People, funding streams, assets
  - Data
Mission Example: “To professionally serve North Carolinians by providing objective information and analysis to ensure a balanced budget and effective stewardship of public resources.”

Environment Example:
- Customer: Governor
- Stakeholder: State Agencies
- Beneficiaries: The Public
- 2019 – Office Re-organization, IT economies of scale, Disaster Relief
- 2021 - Covid-19 environment (work/family), Economic downturn, Revenue projections vs. Federal stimulus offset
**Definition:** Broad statements which define what the organization wants to achieve over time
- Should be challenging, but also realistic

**Key Questions for Performance Planning:**
- What are the most important efforts we can undertake in pursuit of our mission?
- How do we support key statewide goals & incorporate them into our planning?
Mission Example: “To professionally serve North Carolinians by providing objective information and analysis to ensure a balanced budget and effective stewardship of public resources.”

Environment Example:
- Customer: Governor
- Stakeholder: State Agencies
- Beneficiaries: The Public
- 2019 – Office Re-organization, IT economies of scale, Disaster Relief

Goal Example: Provide objective, high-quality, and timely analysis to decision-makers.
**Definition:** Handful of high-impact efforts to achieve goal(s)
- Identifies how resources will be deployed

**Key Questions for Performance Planning:**
- What is/are the most efficient, effective way to achieve our goal(s)?
- What must be done differently or better? Are there new efforts that must be undertaken?
- Is there alignment between the mission, the goal(s), and the objective(s)?
Mission Example: “To professionally serve North Carolinians by providing objective information and analysis to ensure a balanced budget and effective stewardship of public resources.”

Environment Example:
- Customer: Governor
- Stakeholder: State Agencies
- Beneficiaries: The Public
- 2019 – Office Re-organization, IT economies of scale, Disaster Relief

Goal Example: Provide objective, high-quality, and timely analysis to decision-makers.

Objective Example: Reform Budget Execution by reducing the number of revisions which do not provide value.
**Definition**: Programs, or functional activities that operationalize the objective(s)

**Key Questions for Performance Planning:**

- What product/service is being delivered in support of the objective(s)?
- Are new or different products/services needed to meet our objective(s)?
- Do these products/services align with our mission and goal(s)?
Initiatives (NC OSBM)

**Mission Example:** “To professionally serve North Carolinians by providing objective information and analysis to ensure a balanced budget and effective stewardship of public resources.”

**Environment Example:**
- Customer: Governor
- Stakeholder: State Agencies
- Beneficiaries: The Public
- 2019 – Office Re-organization, IT economies of scale, Disaster Relief

**Goal Example:** Provide objective, high-quality, and timely analysis to decision-makers.

**Objective Example:** Reform Budget Execution by reducing the number of revisions which do not provide value.

**Initiative Example:** Convene focus groups to perform a 360-degree review of the budget revision process to identify best practices.
**Definition:** Specific activity conducted by individual or group

- Critical to break operations down to the level of “process”, as this is where many performance improvements are made

**Key Questions for Performance Planning:**

- What handful of processes are most critical to achieving our goal(s)?
- Is there a clear, shared, and simple articulation of these processes?
- Do these processes align with our mission, goal(s), and operations?
**Mission Example:** To professionally serve North Carolinians by providing objective information and analysis to ensure a balanced budget and effective stewardship of public resources.

**Environment Example:**
- Customer: Governor
- Stakeholder: State Agencies
- Beneficiaries: The Public
- 2019 – Office Re-organization, IT economies of scale, Disaster Relief

**Goal Example:** Provide objective, high-quality, and timely analysis to decision-makers.

**Objective Example:** Reform Budget Execution by reducing the number of revisions to which OSBM does not provide value.

**Initiative Example:** Convene focus groups to perform a 360-degree review of the budget revision process to identify best practices.

**Process Example:** Budget Execution Mapped their process end-to-end to identify and prioritize stop-gaps.
Definition: Data-based measure used to understand progress toward goals and support decision making.

Key Questions for Performance Planning:
• What data do we need from each point in the process (environment, goal(s), operations, process) to understand if we are having success?
• Do we have the right infrastructure to collect and analyze data? Have we allocated appropriate time and resources for this?
• Are we measuring the right things?
# Metrics

<table>
<thead>
<tr>
<th>Type</th>
<th>Description and various types</th>
</tr>
</thead>
</table>
| **Input** | • Measure of resources used by an activity or process  
• Why helpful: Required to analyze efficiency and effectiveness  
• Examples: # FTEs, budget $, road miles, labor hours |
| **Output** | • Measure of units of a service delivered or product produced  
• Why helpful: Required to analyze efficiency and effectiveness  
• Examples: # licenses issued, # claims processed, avg. processing time, % issues addressed during first call |
| **Informational outputs** | • Output measure which often combines with an input measure to show a speed, a rate or a percent for a critical activity or process  
• Why helpful: demonstrates efficiency or effectiveness  
• Examples: completion speed, processing time, error rate, % resolution on first call |
| **Lead measures** | • Typically an output or informational output measure which shows progress towards goal, act as indicators of success  
• Must be “influenceable” and measurable on a frequent (e.g. monthly) basis by Department  
• Why helpful: allows Department to measure progress in real time, and make course corrections |
| **Outcome** | • Measures of ultimate result or benefit associated with an activity, process, program or service  
• Why helpful: demonstrates you have achieved a goal or desired result  
• Examples: job placement rate, highway fatality reduction |
**Mission Example:** To professionally serve North Carolinians by providing objective information and analysis to ensure a balanced budget and effective stewardship of public resources.

**Environment Example:**
- Customer: Governor
- Stakeholder: State Agencies
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- 2019 – Office Re-organization, IT economies of scale, Disaster Relief

**Goal Example:** Provide objective, high-quality, and timely analysis to decision-makers

**Objective Example:** Reform Budget Execution by reducing the number of revisions to which OSBM does not provide value.

**Initiative Example:** Convene focus groups to perform a 360-degree review of the budget revision process to identify best practices

**Process Example:** Budget Execution Mapped their process end-to-end to identify and prioritize stop-gaps.

**Metric Example:** Reduce the number of budget Revisions by 10% within one year.
Monitoring your Strategic and Performance Plans

**Institute Pause & Reflect exercises**

**Annually:** “Are we doing the right things?”
- Ensure plan remains relevant
- Revise measures, strategies, objectives as needed
- Example: Annual Retreat with external facilitator

**Quarterly:** “Are we doing what we said we would do?”
- Assess progress toward strategic goals, objectives
- Realign resources, refine strategies
- Example: OSBM Quarterly Meetings

**Monthly:** “Are we getting things done?”
- Adjust initiatives, tasks, tactics
- Reflection Fridays
Take a Break
I saw your email about destroying the company.

Huh?

The only email I sent you was my strategy for the coming year.

Well, maybe I read it too fast.