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 are we now?
  - Where do we want to go?
  - 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?

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

2. Develop Mission, Vision, & Values
   - Often established or mandated
   - Survey to Division Leads, Program Leads, or entire staff based on org size
   - What do we do that no other organization can do?
   - Who are our “customers”? How does this impact what we do?

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

4. Develop 3-5 Department-wide Goals
   - Affinity Mapping to organize & prioritize SWOT/survey responses
   - Assign a goal for top priority issues
   - Which key efforts can we take to pursue our Mission?
   - How do we support statewide priorities through our plan?

5. Develop Objectives for each Division
   - SWOT/Survey to Program Leads
   - Affinity Mapping
   - Assign an Objective for each priority
   - Is the Objective “SMART”
   - Is there alignment between the Goals & the Objectives?

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

7. Review & Approval of Plan & Metrics
   - Iterative Revision process with Division Heads
   - Is there alignment between the Goals, Objectives, Strategies, & Tasks?
   - Are Objectives “SMART”
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
How to use a strategic plan?

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
Questions?
Strategic Planning & Performance Measurement
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

**The Purpose**
The public manager’s question that the performance measure can help answer

<table>
<thead>
<tr>
<th>Purpose</th>
<th>Question</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Evaluation</strong></td>
<td>“How well is my agency performing?”</td>
</tr>
<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>
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<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
Key Components

- Customer
- Mission
- Goals
- Objectives
- Initiatives
- Process
- Metrics
- Environment
<table>
<thead>
<tr>
<th>Type</th>
<th>Definition</th>
</tr>
</thead>
<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>
Types of Customers (NC OSBM)

- 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), Changing revenue projections, Influx of Federal stimulus
**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
• 2021 – Covid-19, Revenue projections, Federal stimulus funds

Goal Example: Mitigate risk and enhance opportunities by proactively analyzing, developing, and implementing policies based on data and evidence
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  
- 2021 – Covid-19, Revenue projections, Federal stimulus funds

**Goal Example**: Mitigate risk and enhance opportunities by proactively analyzing, developing, and implementing policies based on data and evidence.

**Objective Example**: Develop and implement policies based on data and evidence
**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)?
**Mission Example:** “To professionally serve North Carolinians by providing objective information and analysis to ensure a balanced budget and effective stewardship of public resources.”

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**Goal Example:** Mitigate risk and enhance opportunities by proactively analyzing, developing, and implementing policies based on data and evidence

**Objective Example:** Develop and implement policies based on data and evidence

**Initiative Example:** Increase the number of evidence-based expansion requests
**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
- 2021 – Covid-19, Revenue projections, Federal stimulus funds

Goal Example: Mitigate risk and enhance opportunities by proactively analyzing, developing, and implementing policies based on data and evidence.

Objective Example: Develop and implement policies based on evidence

Initiative Example: Increase the number of evidence-based expansion requests

Process Example: Budget Development analysts meet regularly with agencies throughout the fiscal year to understand needs & help develop expansion requests to address those needs
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?
<table>
<thead>
<tr>
<th>Type</th>
<th>Description and various types</th>
</tr>
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</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 |
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Metric Example: Number of evidence-based expansion requests vs. Number of total requests received
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
Questions?