Introduction to Strategic Planning

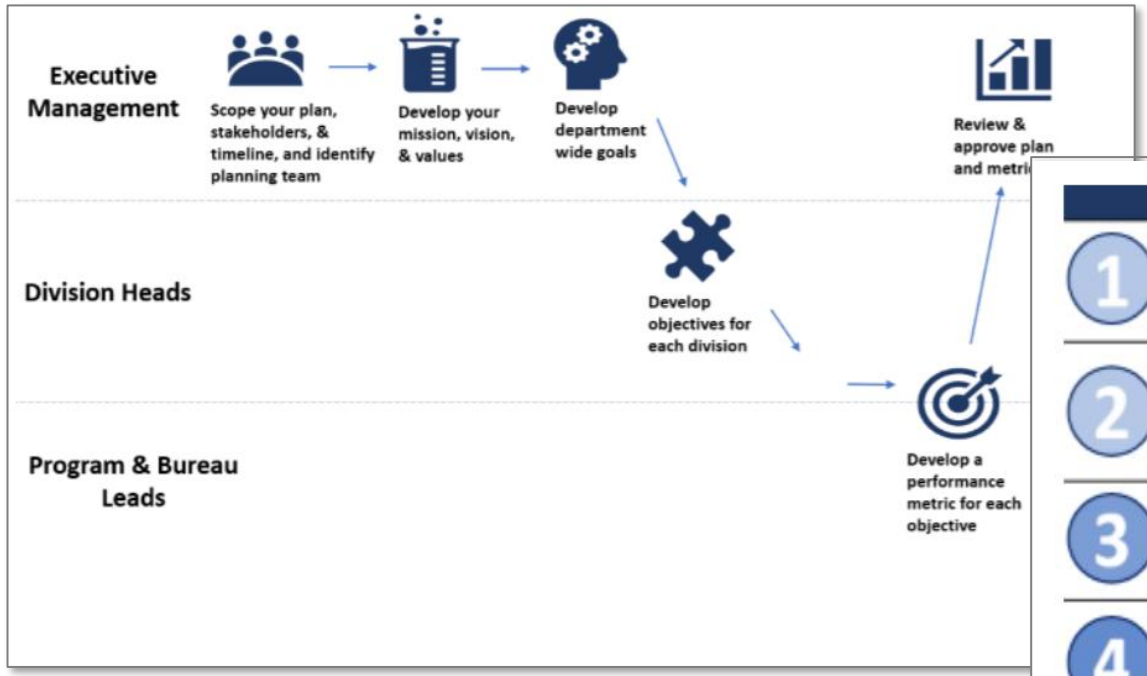
What is a Strategic Plan and why create one?

- 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?



	Step	Owner	Recommended Practices	Questions to Answer when Drafting
1	**Plan Your Plan**	Executive Mgmt.	• Identify Strategic Plan Stakeholders; Plan Longevity; Drafting Lead or 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**	Executive Mgmt.	• 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**	Executive Mgmt.	• 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**	Executive Mgmt.	• 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**	Division Heads	• 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**	Division Heads & Program Leads	• 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**	Executive Mgmt.	• Iterative Revision process with Division Heads	• 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

Source: https://www.stockvault.net/photo/252639/silhouette-of-business-meeting

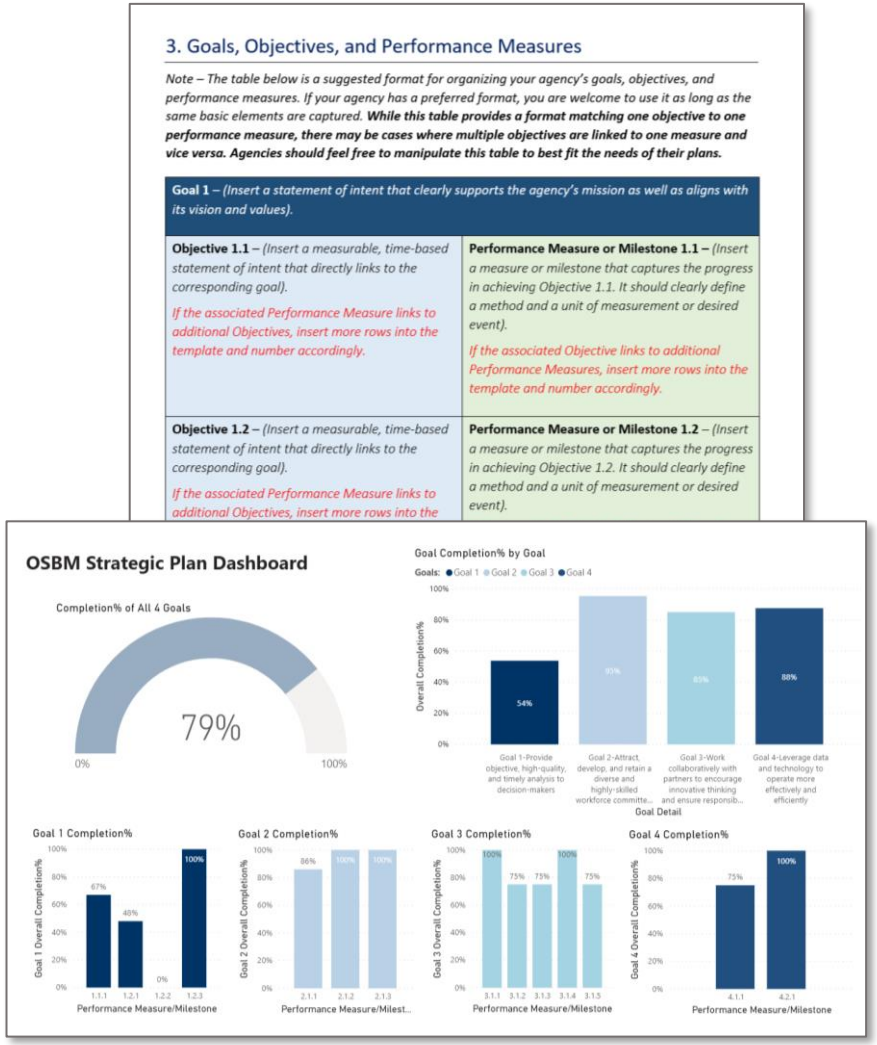
During quarterly meetings, OSBM will:

- Ask about progress toward the goals, objectives, and performance measures outlined in an agency's strategic plan

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



3. Goals, Objectives, and Performance Measures

Note – The table below is a suggested format for organizing your agency's goals, objectives, and performance measures. If your agency has a preferred format, you are welcome to use it as long as the same basic elements are captured. ***While this table provides a format matching one objective to one performance measure, there may be cases where multiple objectives are linked to one measure and vice versa. Agencies should feel free to manipulate this table to best fit the needs of their plans.***

Goal 1 – *(Insert a statement of intent that clearly supports the agency's mission as well as aligns with its vision and values).*	
Objective 1.1 – *(Insert a measurable, time-based statement of intent that directly links to the corresponding goal).* *If the associated Performance Measure links to additional Objectives, insert more rows into the template and number accordingly.*	**Performance Measure or Milestone 1.1** – *(Insert a measure or milestone that captures the progress in achieving Objective 1.1. It should clearly define a method and a unit of measurement or desired event).* *If the associated Objective links to additional Performance Measures, insert more rows into the template and number accordingly.*
Objective 1.2 – *(Insert a measurable, time-based statement of intent that directly links to the corresponding goal).* *If the associated Performance Measure links to additional Objectives, insert more rows into the*	**Performance Measure or Milestone 1.2** – *(Insert a measure or milestone that captures the progress in achieving Objective 1.2. It should clearly define a method and a unit of measurement or desired event).*

Questions?

Strategic Planning & Performance Measurement

Value of Performance Measures

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

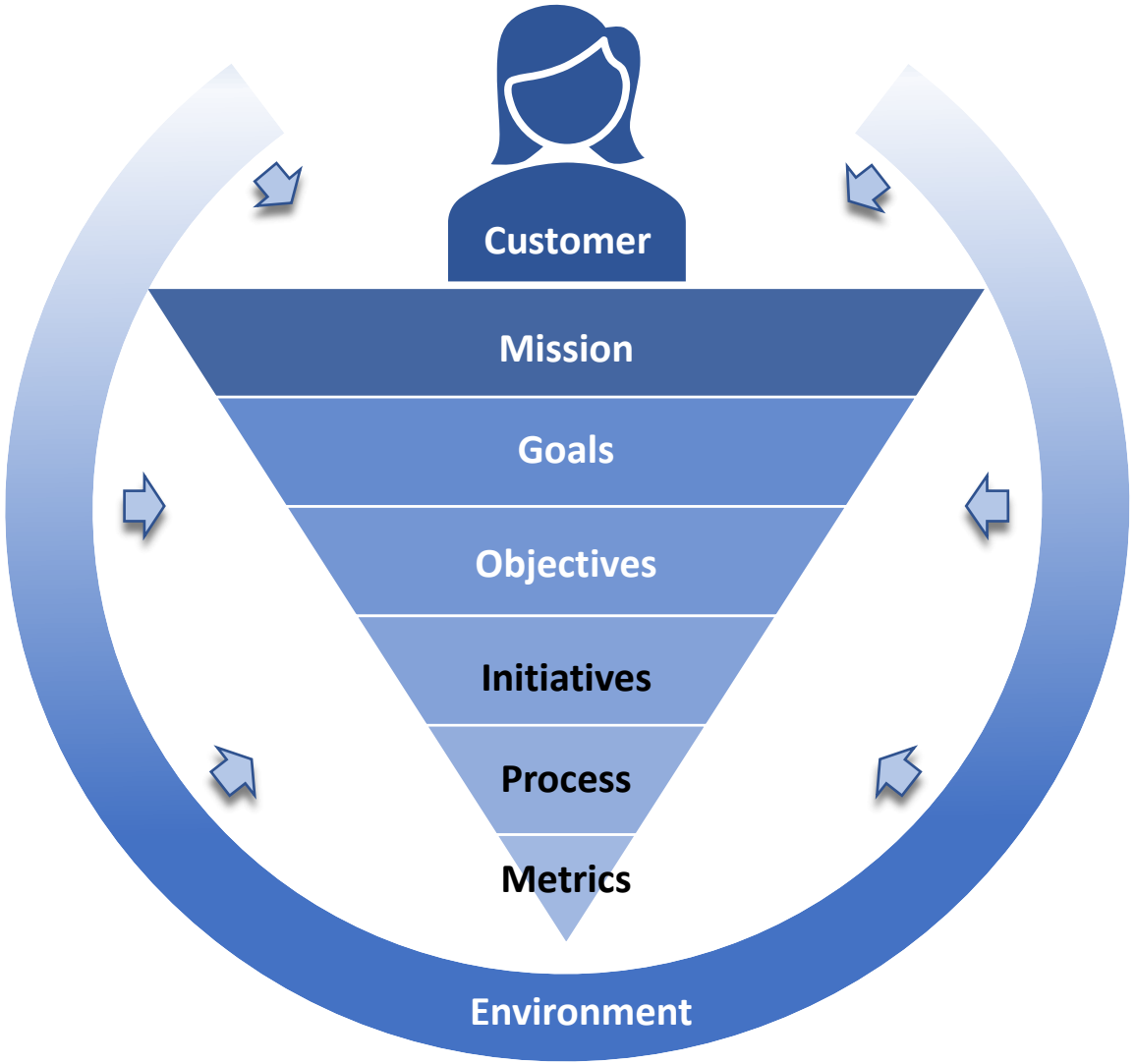
Using Strategic Plans for Measuring Performance

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

Source: Behn, Robert D. : "Why Measure Performance? Different Purposes Require Different Measures"
https://www.jstor.org/stable/3110101

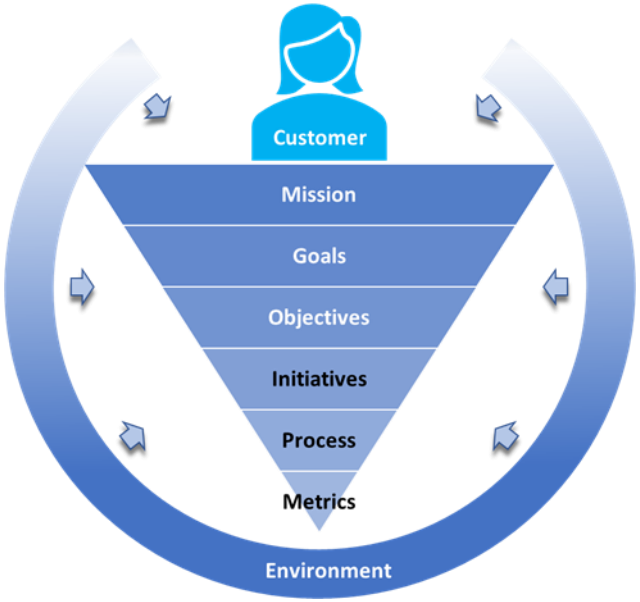
Key Components

- Customer
- Mission
- Goals
- Objectives
- Initiatives
- Process
- Metrics
- Environment



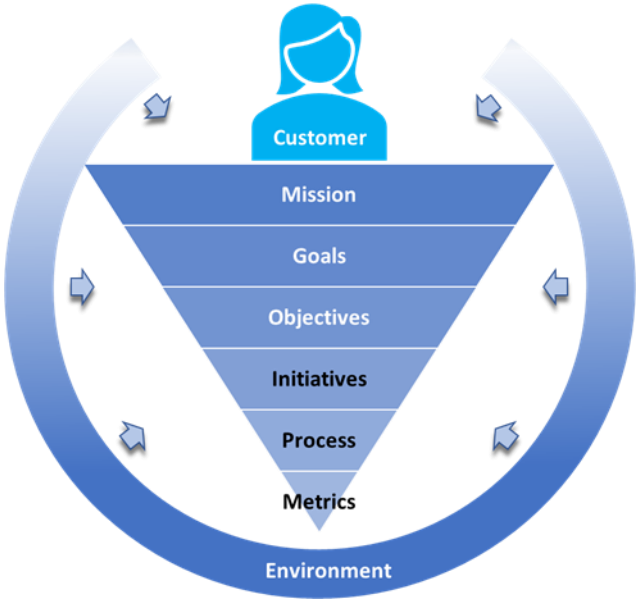
Customers

Type	Definition
Direct / Primary Customer	Person or group that consumes the product or service provided
Stakeholder	Person or group that affects or is affected by the product or service provided, but does not directly consume product/service
Beneficiary	Person or group that *indirectly* benefits from the product or service provided

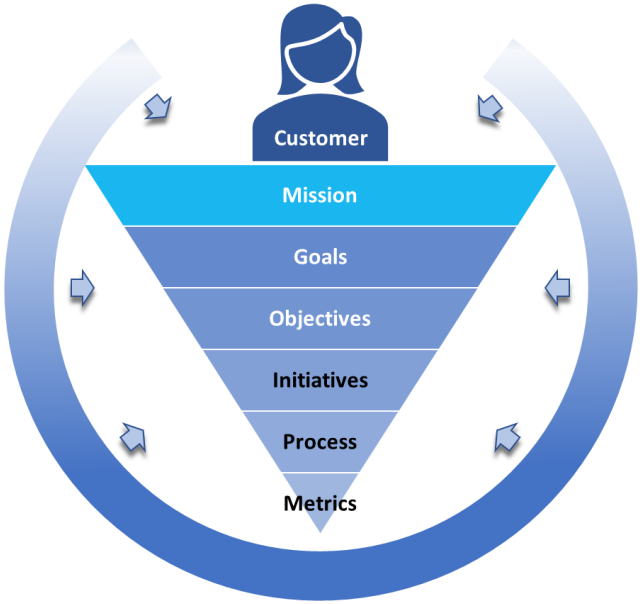


Types of Customers (NC OSBM)

- **Direct / Primary Customer Example:** Governor
- **Stakeholder Example:** State Agencies
- **Beneficiary Example:** The Public



Mission



Definition: Why your dept/org exists, which customers it serves

Key Questions for Performance Planning:

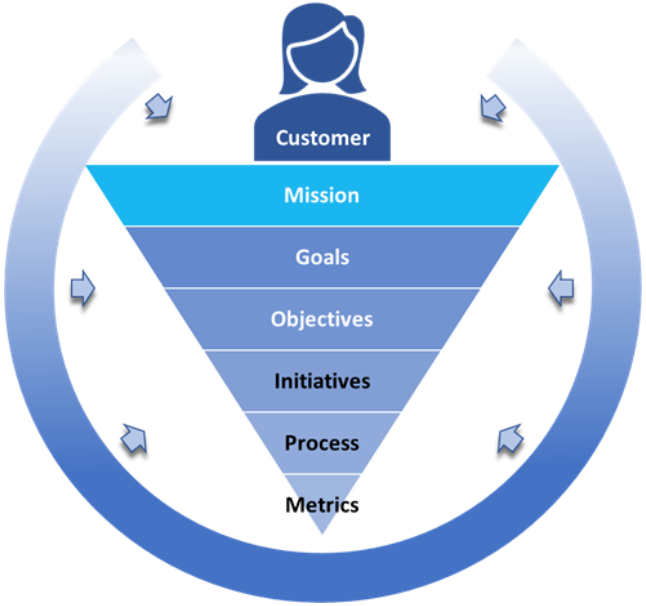
- What is it that we do that no other organization can do?
- What major responsibilities or outcomes is the organization accountable for?

Mission (NC OSBM)

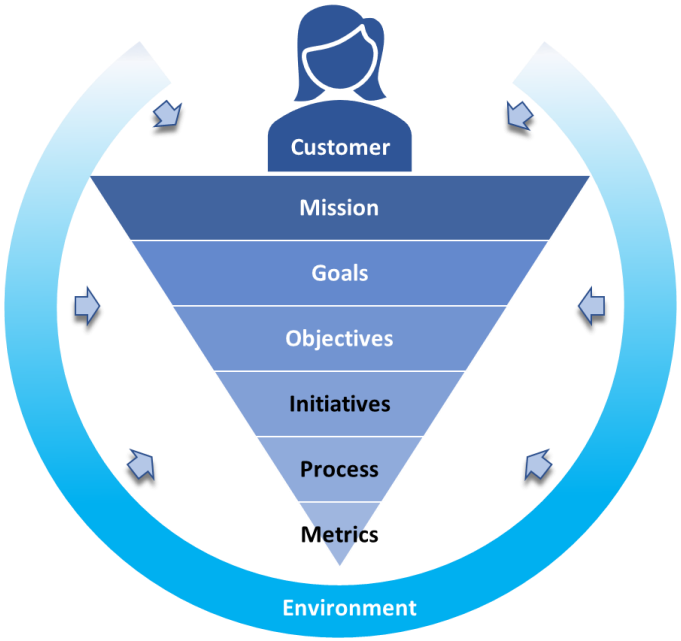
Mission Example:

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."



Environment



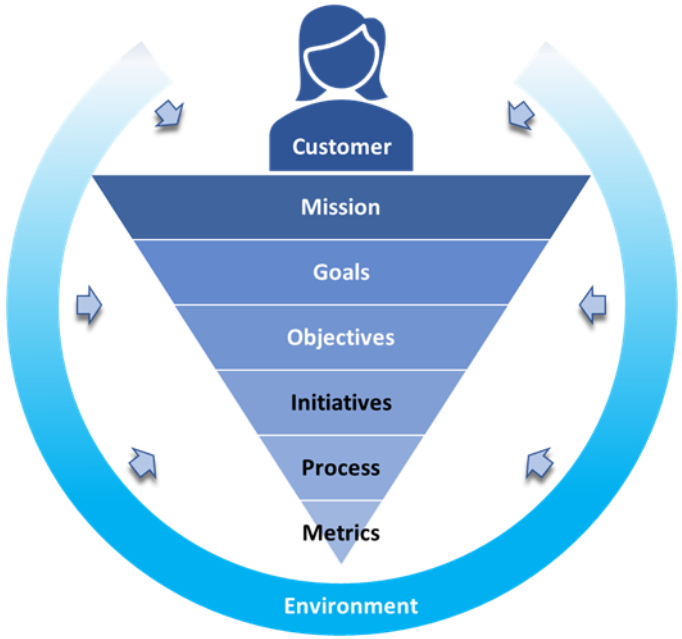
Definition: The world outside your department

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

Environment (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."



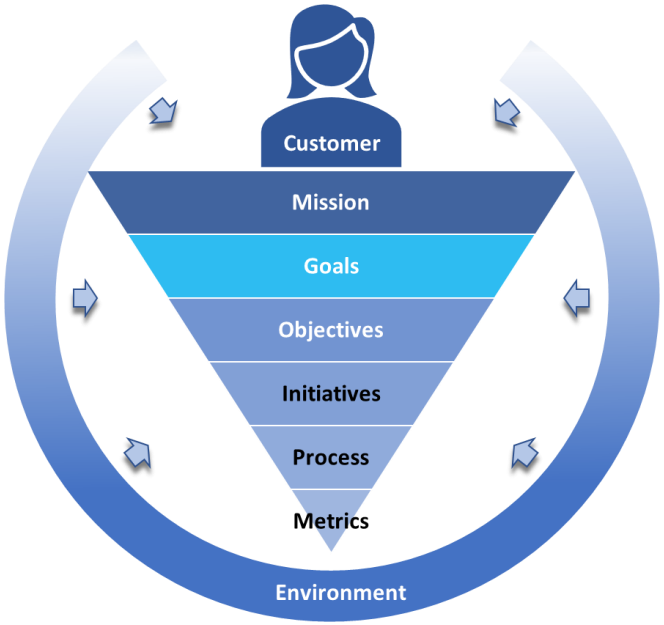
Environment Example:

- Customer: Governor
- Stakeholder: State Agencies
- Beneficiaries: The Public
- 2019 – Office Re-organization, IT economies of scale, Disaster Relief
- *2021 - Covid-19 environment (work/family), Changing revenue projections, Influx of Federal stimulus*

Goals

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?

Goals (NC OSBM)

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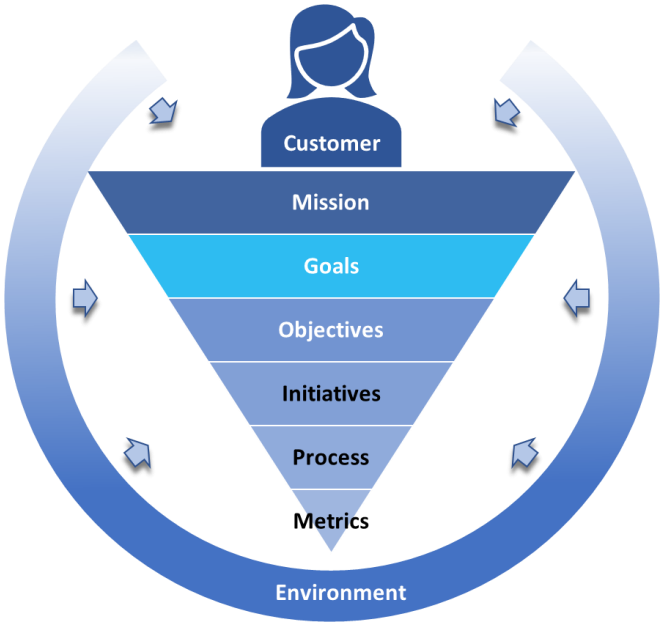
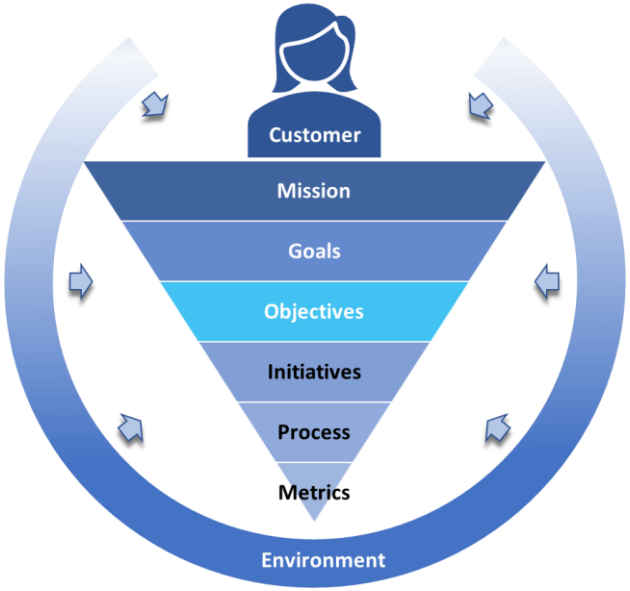


Environment Example:

- 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

Objectives



Definition: Handful of high-impact efforts to achieve goal(s)

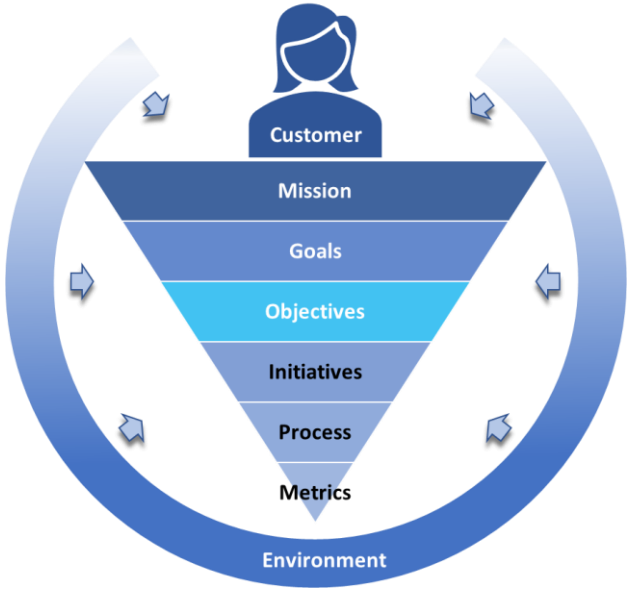
- Identifies how resources will be deployed

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)?

Objective (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."



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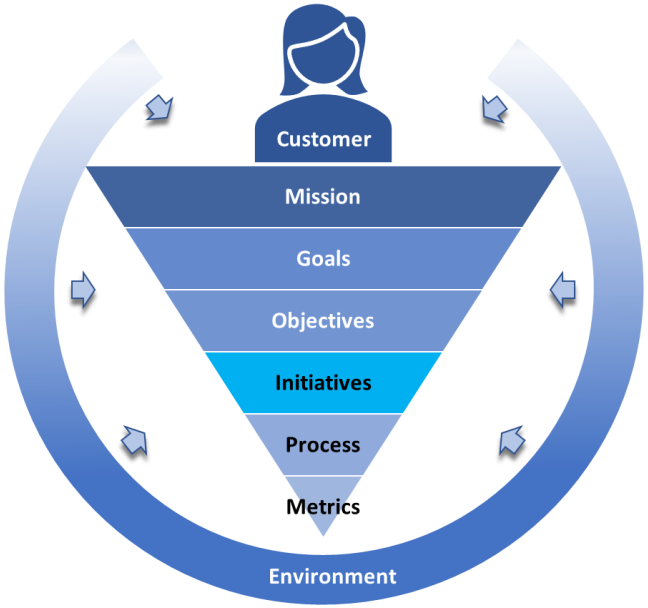
Objective Example: Develop and implement policies based on data and evidence

Initiatives



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)

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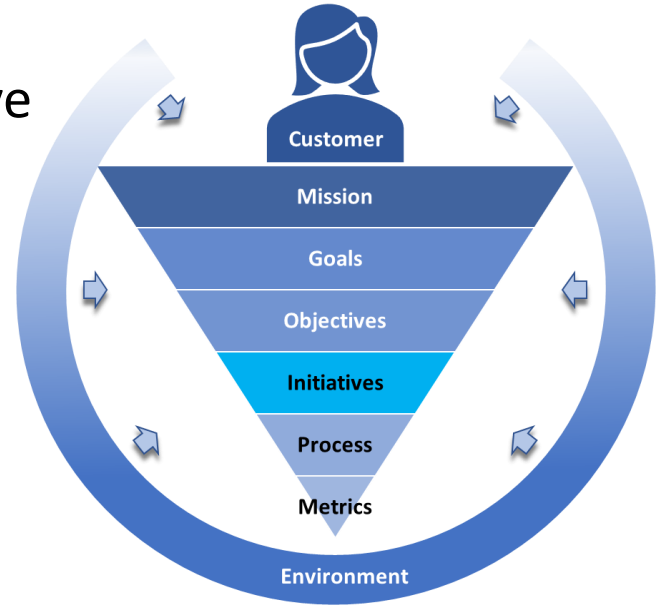

Environment Example:

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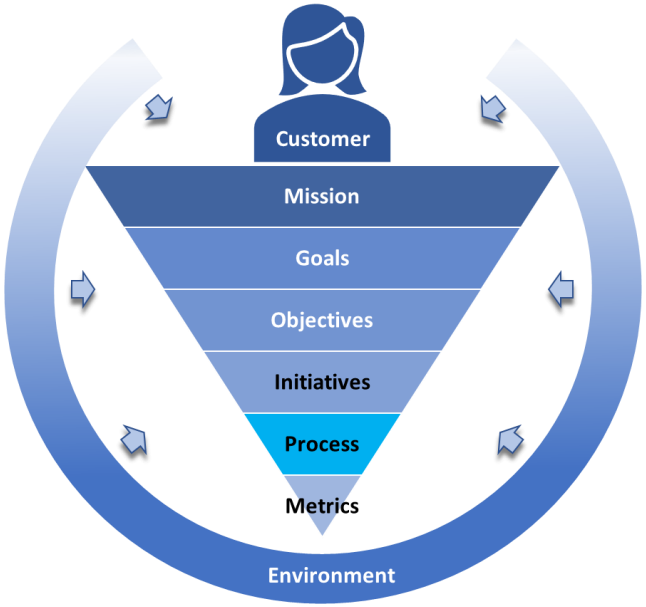
Goal Example: Mitigate risk and enhance opportunities by proactively analyzing, developing, and implementing policies based on data and evidence

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

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

Process



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?

Process (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.

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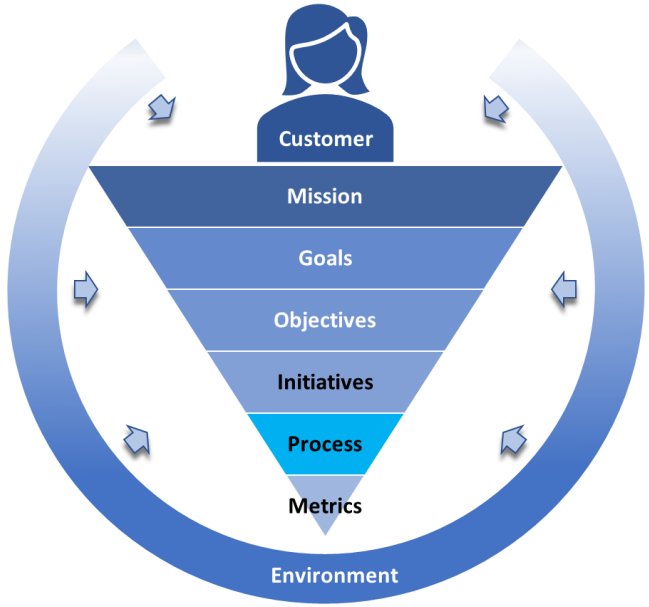


Goal Example: Mitigate risk and enhance opportunities by proactively analyzing, developing, and implementing policies based on data and evidence.

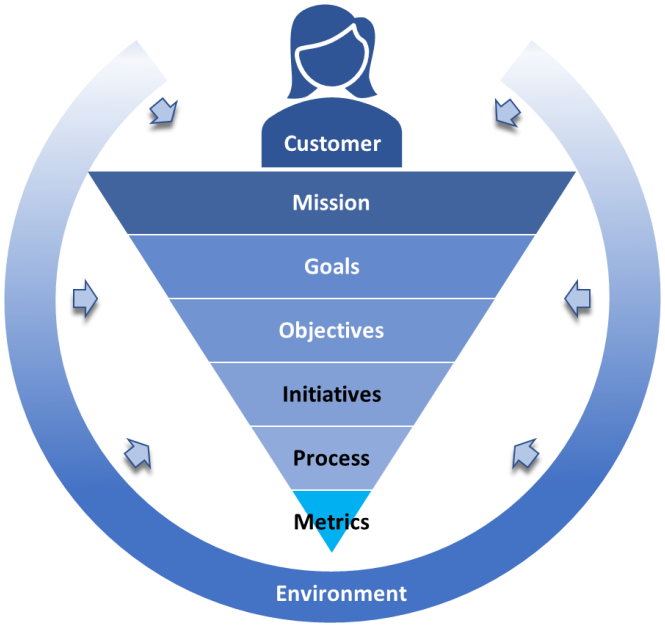
Objective Example: Develop and implement policies based on evidence

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

Metrics

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

Type	Description and various types
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	**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

Metrics (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.

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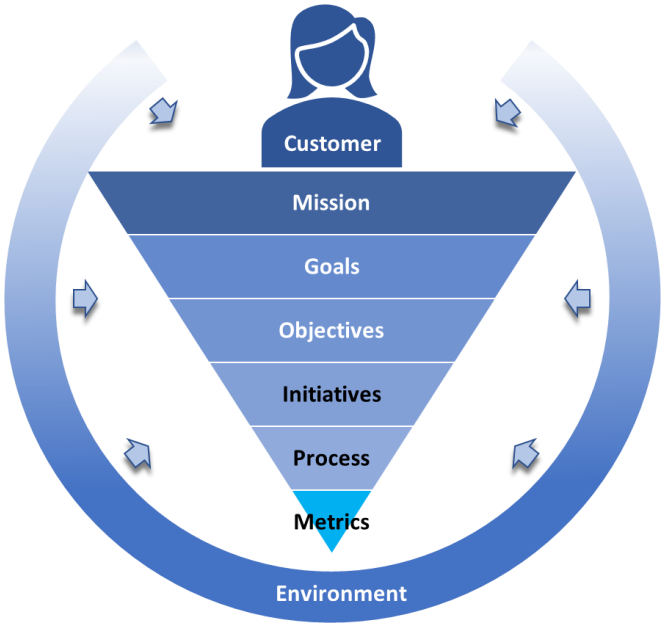


Goal Example: Mitigate risk and enhance opportunities by proactively analyzing, developing, and implementing policies based on data and evidence

Objective Example: Develop and implement policies based on 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

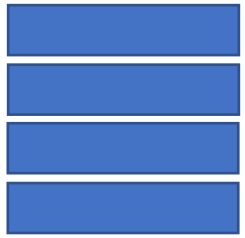
Metric Example: Number of evidence-based expansion requests vs. Number of total requests received

Monitoring your Strategic and Performance Plans

Institute Pause & Reflect exercises

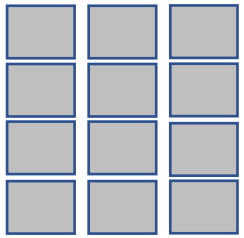
Annually: "Are we doing the right things?"

- 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?