

Strategic Planning: A Necessary Organizational Function Now More Than Ever

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Elected leaders and appointed administrators face a variety of challenges in day-to-day management. Many of these challenges will not catch us by surprise, yet we often fail to adequately consider our own reaction until events overtake us. Suddenly, often with much flare and hyperbole, we jump into “crisis mode” in our management response. We know local government organizations operate in an environment of dwindling resources (revenue sharing and property taxes) and increasing interconnectedness (interlocal agreements and shared services). To effectively fulfill our missions, meet our mandates, satisfy our constituents, and create public value in the years ahead, those entrusted with public leadership positions must develop strategies to cope with these changing circumstances.

Strategic planning efforts aid in shaping and guiding what an organization is, what it does, and why it does it (Bryson, 2004). The words “strategic planning” invoke many visions from simple goal-setting retreats to seemingly endless, drawn-out exercises only a true planner could love. Ongoing challenges that threaten Michigan communities today dictate a need to undertake some sort of strategic planning effort at least annually. As resources continue to vanish at an alarming rate, there is wisdom in discussing organizational plans more frequently than the traditional once-a-year model. Value exists in most attempts at strategic planning no matter how simplistic or complex. This article discusses key elements of a strategic plan, introduces an efficient method of creating a meaningful strategic plan in about an hour, and offers resources available for further reference.

Key Elements of a Strategic Plan

Traditional strategic plans include four common elements that describe an organization's base: stakeholder identification; identification of organizational strengths, weaknesses, opportunities, and challenges (threats); strategic issue identification; and strategies and plans to manage the issues. Sequencing of the first three elements can occur in any order, but accomplishment of the fourth element is reliant upon results gained in the first three. The process followed to satisfy each element can be brief or lengthy, depending on the needs (and mood) of the organization.

An organizational *stakeholder* is any person, group, or organization that can place a claim on an organization's attention, resources, or output or that is affected by that output (Bryson, 2004). Stakeholder identification is not difficult, especially when conducted in a group setting that includes elected officials, department heads, and volunteers appointed to serve on various boards and commissions. Common local government stakeholders include citizens, taxpayers, service recipients, other local governments, political bodies, employees, and unions (to name a few). A stakeholder's influence on local government depends on his/her/their interest in what government does and his/her/their power to affect the organization's future. Some stakeholders have little interest in local government, and have little power to influence organizational direction. Others not only have significant interest in what government does, they also have the power to affect its future.

Analysis of strengths, weaknesses, opportunities, and challenges (SWOC) requires plan participants to take an introspective look at the organization. Brutal honesty in discussion of what the organization does and does not do well can be good medicine. Weaknesses identified

in mandated services can subsequently receive priority attention when allocating resources. Likewise, sources of strength (things an organization does well) can be redistributed to benefit the entire organization. Despite grim economic forecasts, abundant opportunities exist to improve service delivery. Brainstorming in small groups inevitably yields numerous ideas from different perspectives. Through identification of known challenges leaders can devise ways to overcome these hurdles long before a situation becomes critical. Fans of the 1980's television program "The A Team" might remember a recurring quote from cigar-chomping team leader Hannibal Smith, "I love it when a plan comes together!" A thorough understanding of strengths, weaknesses, opportunities, and challenges allowed our heroes to overcome foes of all shapes and sizes each week (not that I ever watched the show). Local governments can follow this example for success - short of blowing things to smithereens, of course.

Strategic issue identification is much easier than it sounds. A *strategic issue* is a fundamental policy choice or change challenge affecting mandates, mission, service level, users, costs, financing, structure, processes, or management. In this phase an organization distinguishes issues as being "primarily operational" or "primarily strategic." A litmus test developed by John M. Bryson of the Hubert H. Humphrey Institute of Public Affairs at the University of Minnesota, helps distinguish between operational and strategic issues (see Exhibit 1). Once identified, the challenge before plan participants is to explain how an issue relates to the organization's SWOC's and its ability to meet its mandates, satisfy its stakeholders, fulfill its mission, realize its vision, or create public value (Bryson and Alston, 2005). Group discussion about consequences of not addressing the issue should follow, which will almost certainly lead to conversations about strategies and plans to manage the issues.

Turn the Curve

Mark Friedman, a self-described veteran of public administration “with the scars to prove it,” sought a strategic planning structure that was simple, used plain language, produced minimal paper, and was actually useful to community members, managers, and decision makers. As Friedman (2005) put it, “It is about making a difference, not just trying hard and hoping for the best.” The result of his work is a 60-minute exercise that produces a remarkable set of performance measures that, when compiled together, result in a meaningful organizational strategic plan.

Friedman’s five-step approach (called “Turn the Curve”) starts where traditional strategic planning ends. Most local governments and their respective subdivisions have a pretty good idea about what they want to accomplish. These accomplishments, or *results*, are often measured by some means. For instance, animal control departments take in stray dogs and seek to find their rightful owners. A target “result,” then, might be to *reunite at least 50% of all stray dogs with their owners*. This can be measured simply by comparing the total number reunited dogs to the total number of strays taken in. Data from a previous time period, say five years, provides a trend or *indicator baseline*. By setting a lofty result, or goal, we can work to “turn the curve” in an attempt to meet that goal.

After identifying a result and indicator baseline, participants are asked to tell the story behind the baseline. Continuing with the stray dog example, maybe the animal shelter building is constantly taxed to capacity and stray dogs are euthanized in large numbers; or too few dogs are found with identification tags; or the department lacks personnel to follow-up with dog owners. Next, participants identify *partners* (stakeholders) to accomplish the stated goal.

Finally, the group works to list *ideas that work* toward achieving the desired result. Among these ideas, Friedman challenges us to come up with one “low cost/no cost” solution and one “off the wall” idea. Sometimes a simple change in procedure will greatly improve operational efficiency. Thinking outside of normal parameters to develop an “off the wall” idea breaks participants free from the “we’ve always done it that way” mold. Figure 2 summarizes the “turn the curve” exercise.

Resources

Among the many resources on strategic planning available for reference, three were particularly useful in preparation of this essay. A weighty text titled *Strategic Planning for Public and Non Profit Organizations: A Guide to Strengthening and Sustaining Organizational Achievement* (John M. Bryson, 2004) provides in-depth study of strategic planning principles and theory. At 391 pages, this is an excellent addition to the reference library of any local government. The cost of this text is about \$50. A companion publication, *Creating and Implementing Your Strategic Plan: A Workbook for Public and Non Profit Organizations* (John M. Bryson and Farnum K. Alston, 2005) easily serves as a stand-alone guide to creating a strategic plan of your own. This 172-page manual offers a 10-step process to creation of a strategic plan using 38 worksheets. The authors fully explain each step in the strategic planning process, and a full set of instructions is included with each worksheet. For about \$30, this manual provides everything local officials might need from ready-to-use worksheets to meeting room checklists.

The third reference is from author Mark Friedman (2005) titled *Trying Hard is Not Good Enough: How to Produce Measurable Improvements for Customers and Communities*. This text

is a surprisingly entertaining strategic planning manual. Friedman is quick to “cut to the chase,” offering a no-nonsense and very efficient approach to goal identification and ultimately performance measurement. Frustrations with endless – and somewhat meaningless – bureaucratic initiatives lead to Friedman’s “results accountability” approach to strategic planning. A bargain at about \$25, this 172-page paperback provides a refreshingly efficient approach to what otherwise becomes an exercise in endurance.

References

Bryson John M. (2004). *Strategic Planning for Public and Non Profit Organizations: A Guide to Strengthening and Sustaining Organizational Achievement* (vi, 35). San Francisco, CA: Jossey-Bass.

Bryson John M. and Alston Farnum K. (2005). *Creating and Implementing Your Strategic Plan: A Workbook for Public and Non Profit Organizations* (89). San Francisco, CA: Jossey-Bass.

Friedman, Mark (2005). *Trying Hard is Not Good Enough: How to Produce Measurable Improvements for Customers and Communities* (vii, 1, 156, 157). Victoria, BC, Canada: Trafford Publishing.

**Figure 1:
Operational Versus Strategic Issues**

Issue: _____ The issue is: Primarily operational Primarily strategic

	Operational	←————→	Strategic
1. Is the issue on the agenda of the governing board?	No		Yes
2. Is the issue on the agenda of the CEO (Manager/Administrator)?	No		Yes
3. When will the strategic issue's challenge or opportunity confront the municipality?	Right now	Next year	Two or more years from now
4. How broad an impact will the issue have?	Single department		Entire organization
5. How large is the municipality's financial risk or opportunity?	Minor (≤ 10% of budget)	Moderate (10% - 15% of budget)	Major (≥ 25% of budget)
6. Will strategies for issue resolution likely require:			
a. Change in mission?	No		Yes
b. Development of new service goals and programs?	No		Yes
c. Significant changes in revenue sources or amounts?	No		Yes
d. Significant amendments in federal or state statutes or regulations?	No		Yes
e. Significant staff changes?	No		Yes
f. Significant technology changes?	No		Yes
g. Major facility changes?	No		Yes
h. Major changes in stakeholder relationships?	No		Yes
7. How apparent is the best approach for issue resolution?	Obvious, ready to implement	Broad parameters, few details	Wide open
8. What is the lowest level of management that can decide how to deal with this issue?	Line staff supervisor		Department head
9. What are the probable consequences of not addressing this issue?	Inconvenience, inefficiency	Significant service disruption, financial losses	Major long-term service disruption and large cost or revenue setbacks
10. How many other groups are affected by this issue and must be involved in resolution?	None	One to three	Four or more
11. How sensitive or "charged" is this issue relative to community social, political, and cultural values?	Benign	Touchy	Dynamite

Source: Bryson (2004); Adapted from a test in Hennepin County, Minnesota, 1983.

Figure 2: Turn the Curve Exercise

Purpose: To provide a hands-on experience with results-based decision making at the population level. Small groups work on actually “turning the curve” on an indicator of community well-being.

Setting up the Exercise

1. If possible, prepare the history part of three or four indicators baselines in advance, or gather the data that will allow the groups to do this.
2. Give each person a copy of the one-page instruction sheet with time limits for each step, and the group report format.
3. Participants are asked to work in groups of five or six. Group members can be pre-assigned or self-selected. This exercise also works well with a single small group, such as a small department.

Running up the Exercise

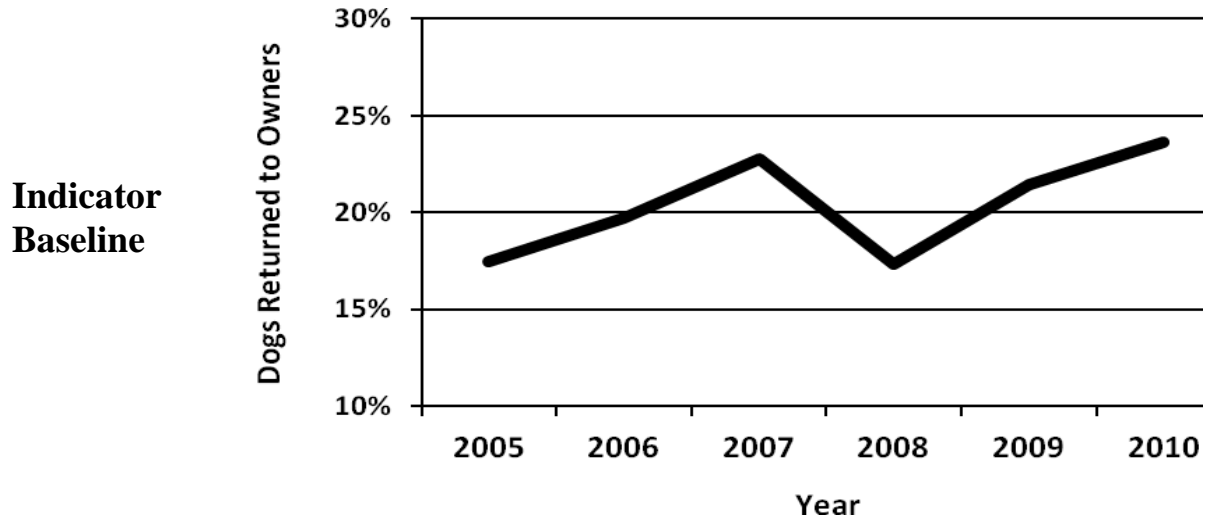
1. Starting point (5 minutes): Each group selects a time keeper, a reporter, and a geographic area. Each person in the group is asked to wear two hats: the hat they wear every day and the hat of a partner (stakeholder) who is not otherwise represented at the table.
2. Baseline (5minutes): Each group selects one of the prepared baselines or constructs a baseline using provided data. If no data is available, the group can construct the history part of the baseline from group knowledge. The group agrees on a forecast of where this line is headed if we don't do something different than what we're doing now.
3. Storey behind the baseline (15 minutes): Consider the causes and forces at work. Why does this picture look the way that it does? What accounts for the history? Explain the reasoning behind the baseline. Dig deep for the causes – don't settle for easy, rhetorical answers.
4. What works? (20 minutes): Consider what could work to do better. There are two natural pointers to action. Each cause is a pointer to actions that address that cause, and each partner (stakeholder) has something to contribute. Go around the table twice and ask each person what they could contribute wearing each of their two hats. Only one rule exists: At least one of the ideas must be a no-cost or low-cost idea. Off-the-wall ideas are welcome.
5. Report (10 minutes): Prepare a report on a single piece of flip chart paper. Participants should not use the flip chart paper until the very end when they are ready to prepare the group's report.

Debriefing Exercise

1. Presentations: Each group presents a one-page report to the larger group. Try to make these as brief as possible. When there are too many groups for each to report out, the groups can post their work on a wall. One person from the group is left to explain the work, while everyone else tours the work of other groups.
2. Questions: At the end of the exercise and presentations, ask the group: What did you learn from this exercise? How was this experience different from other processes you've worked with in the past? What worked and what didn't? Do you think you could explain and lead this exercise with another group?

Animal Control Turn the Curve Report

Result: Reunite at least 50% of all stray dogs with their owners



Story Behind the Baseline

- Animal shelter building is constantly taxed to capacity and stray dogs are euthanized in large numbers
- Too few dogs are found with identification tags
- Department lacks personnel to follow-up with dog owners

Partners

- Animal Control staff
- Dog owners
- County Treasurer
- Board of Commissioners
- Animal welfare organizations

Three Best Ideas - What Works

- Expand animal shelter building
- Engage in public information campaign
- Perform a dog census
- Reorganize workspace to maximize capacity for animals (low-cost / no-cost option)