

Holistic Strategic Planning: Achieving Sustainable Results

by Thomas Plant

The current environment in which the public sector operates is defined by heightened fiscal caution and increased scrutiny of public organizations. Local governments are under growing pressure to become more responsive to the needs of their constituencies.

One way to respond to these challenges is to develop a strategic plan that outlines the organization's vision and strategic priorities. For such a plan to be successful, however, it must be a "living" strategic plan that encompasses all components of the planning process. If it doesn't meet this standard, the plan will simply gather dust and have no impact on the organizational decision-making process.

This article focuses on developing a holistic approach to strategic planning. It suggests that in order to get achievable, sustainable results, all components in the process have to be seen as an integrated system through a holistic strategic framework.

To shed some light on this framework, selected benchmarked localities are profiled that have implemented components of a holistic system. A review of gaps in the process and recommended solutions is provided to assist local decision makers in applying the framework in their environments.

HOLISTIC STRATEGIC PLANNING MODEL

A holistic strategic planning model views the planning process as encompassing a number of independent yet interrelated components. In this way, the strategic plan is more than just a guiding document for the organization; it is a process that can impact the organizational culture and can position the local government to be able to provide greater accountability and transparency in the decision-making process.

A holistic system is based on the assumption that all of the system elements are interrelated and interdependent. As can be seen in Figure 1, the model consists of these four key elements:

1. Developing a strategic vision and goals involving stakeholder input.
2. Aligning and prioritizing strategic initiatives with the vision.
3. Developing operational business plans that align with the strategic plan and budgeting process.
4. Measuring success and reporting the results.¹

The first step in the development of a holistic model, carried out to achieve buy-in, is to develop a strategic vision involving all relevant stakeholders in the process. The degree of stakeholder involvement will depend on whether the strategic plan is a corporate plan or community-based plan. In a corporate plan, the focus is on articulating the community's goals and objectives.

In a community plan, the focus is on defining the goals and objectives of both the community and its diverse stakeholders. Once a strategic vision has been developed, this vision should be aligned with the strategic goals and objectives that provide greater clarification of the strategic vision.

The strategic initiatives that are developed are the individual initiatives or projects that when implemented provide benchmarks that can be used to communicate the success of the plan. To guide this process, it is important that criteria be established to determine whether the initiative is a strategic or operational initiative. Further, criteria should be developed to assist prioritizing the initiatives as high, medium, or low.

One of the final elements of the holistic model is the development of an operational business plan that highlights both the key business objectives for the department's operations and the performance indicators to evaluate departmental efficiency and effectiveness. The last major element

is the establishment of a measurement process that will provide quantitative evidence in order to evaluate success in achieving the strategic goals and objectives and furthering the organization's vision.

BENCHMARKING

Few local governments have achieved implementation of all components of the holistic strategic plan model. In many communities, a gap exists in the strategic planning framework. In some cases, this gap involves a lack of involvement of staff or the public in the development and evaluation of the strategic plan; another gap is the lack of criteria to guide the process in prioritizing the strategic initiatives.

Localities are often good at developing a strategic plan that has vision, goals, and initiatives, but sometimes little thought is given to how the plan will be integrated into the organizational decision-making process.

Coral Springs, Florida. One of the local governments that has implemented elements of a holistic framework is Coral Springs, Florida. Its approach to strategic planning has been to implement a continuous improvement approach that involves staff in the identification and resolution of issues. Also in Coral Springs, public input is gathered through a citizen survey and a focus group.

This feedback is incorporated into the strategic planning workshop of council and senior management, which sets the strategic priorities

for a three-year period. In addition to the strategic plan, departmental business plans have been established that are aligned with the corporate strategic plan. A tracking system has also been developed by using performance measurements, called key intended outcomes, to measure progress in achieving the corporate strategic priorities.

Westminster, Colorado. Another community that has implemented components of the holistic framework is Westminster, Colorado. It has established a five-year strategic plan that is a component of the larger strategic vision 2020, which is reviewed each year. To ensure accountability and transparency, the city publishes an annual report called "Take a Closer Look," which reviews the city's progress toward achieving strategic plan goals through a sampling of internal performance measures and external comparisons. Westminster has also developed a strategic plan update report that is presented semiannually to senior management and provides information on the percentage of completion for each strategic initiative.

Nashville, Tennessee. Nashville has implemented a sophisticated performance management program called "Results Matter." The impetus of the program was to implement a managing-for-results methodology into the organization. The result would offer quality information for decision making, the development of a culture focused on producing results for the public, and the improved accountability and required management to make a business case for additional resources.

The introduction of this program has made a culture shift in the organization possible, particularly in the city's budget process. Through implementation of a business planning and performance measurement framework program, results can be measured, and the council's strategic priorities can be put into operation. This information is particularly useful at budget evalu-

ation time to inform the budgeting and decision-making processes.

Performance measurement is a critical part of the framework, and frontline department staff members are involved in developing performance measures for their service delivery processes, which are validated by the city auditor. Results on achieving strategic goals are presented every six months and put online for citizens to view.

Austin, Texas. Austin has incorporated performance measures into its management decision-making process. That is, Austin has developed a system that makes the information relevant and encourages its use. In particular, the measures have been instrumental in helping make budget cuts during the economic downturn of the past few years. Identifying areas for strategic cuts has been facilitated by the measures, which helped identify areas that would not be greatly impacted by cuts and predicted an acceptable level of service as a result of cuts.

Thus, by linking the performance measurement structure with the operational level of the organization, Austin has been able to implement strategy at the front lines of the organization and proactively resolve any variance to plan. Staff have been able to achieve results through the evaluation of performance measurement information because the data have a specific purpose and a system of use that make them relevant and ultimately generates value for the organization.

The benchmarked examples all point to the need to implement mechanisms that ensure the strategic plan is integrated into the local decision-making process. By nature, however, strategic planning takes place amid much uncertainty about how the future will unfold. As a result, there is often a need to seek out divergent viewpoints and incorporate this information into the process.² The key is to customize the strategic process using the holistic approach as a base, which will generate long-term results for the local government.

Figure 1. Holistic Strategic Planning Model.



Source: Plant, 2008, p. 8.

HOW TO ACHIEVE SUSTAINABLE RESULTS

As they have implemented the holistic framework, the benchmarked localities have all properly planned not just the development of the strategic plan but also its implementation. This is a critical element in ensuring that the strategic plan is able to achieve sustainable results.

It is also one of the gaps that is commonly seen in the local government strategic plan process. This gap is commonly referred to as the knowing-doing gap, which is where organizations come to the belief that if they just talk about doing something, this very action of discussion will magically lead to execution.³

Localities are often good at developing a strategic plan that has vision, goals, and initiatives, but sometimes little thought is given to how the plan will be integrated into the organizational decision-making process. As a result, the document ends up being consulted only infrequently, and it gathers dust until it is time to develop a new plan.

Eliminating this gap can be achieved by giving ample consideration to how the strategic plan will work in the organization and how to guide the key decisions being made. In particular, consideration should be given as to what mechanism needs to be put in place to inform decision

makers about progress in achieving elements of the plan.

Another gap that can develop is having both strategic and operational initiatives as part of the strategic plan. This may lead to confusion because only strategic initiatives should be part of the plan. As a result, criteria must be developed to guide this process. Criteria that can be used to determine a strategic initiative include:

- Major cost implications, both short and long term.
- Significant communitywide impact.
- Strong intergovernmental or inter-departmental impact.
- Long-term implementation time horizon (two or more years).

A third gap that can develop is a lack of involvement of key stakeholders in the development of the strategic plan. In some communities, the strategic plan has been developed using a top-down approach, with involvement by only council and senior management; staff and citizens are not involved in creation of the plan nor in evaluating its success.

This gap can be reduced by incorporating the knowledge and experience of staff and citizens in the process. Also, operational staff can be involved in the development of an operational business plan, which

establishes key strategic goals for the business unit to achieve during the year and is aligned with the corporate strategic plan.

A fourth gap that can develop is creating a strategic plan containing no prioritization of the strategic initiatives or action steps. Thus, if the strategic plan contains a long list of initiatives that need to be implemented and no priority has been set, then operational decision makers inevitably initiate work on those items they prefer without any understanding about what is important to senior management.

The result is often completion of some lower-ranked initiatives and delay on the major initiatives. Thus, in establishing the strategic plan and setting operational action plans, assigning priority to various strategic initiatives is paramount. Criteria that can be used to prioritize include:

- Level of impact on the organization or community.

- Interdependencies (timing with other strategic initiatives).
- Local government risk exposure (legal, political, or financial).
- Corporatewide implications.

Finally, an additional gap that can often arise is the lack of a review mechanism that allows decision makers to be updated on progress toward implementation of the strategic vision and initiatives. Often this step is missed in the strategic process because the expectation is that after the plan is created it will automatically be implemented. Often little thought is given to follow-up. Also, establishing key performance measurements to evaluate success in achieving the strategic vision and goals will assist in communicating the strategic plan's successes.

SUCCESS

Implementing a holistic strategic planning process will result in the establishment of a successful plan that

generates results. In so doing, a "living" strategic plan is created that can guide the organization in pursuit of its service delivery goals.

Local decision makers will have to demonstrate leadership and commitment in guiding the organization through all phases of the process. The result will be greater success in providing service to citizens and actualizing the strategic goals of the organization. **PM**

¹Thomas Plant, *Strategic Planning for Municipalities: A Users' Guide* (St. Thomas: Municipal World, Inc., 2008).

²Michael E. Raynor, *The Strategy Paradox* (New York: Doubleday Broadway Publishing Group, 2007).

³Jeffery Pfeffer and Robert Sutton, *The Knowing-Doing Gap: How Smart Companies Turn Knowledge into Action* (Boston: Harvard Business School Press, 2000).

Thomas Plant is senior manager of strategic planning, Vaughan, Ontario, Canada (thomas.plant@vaughan.ca).

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