



# LOCAL GOVERNMENT REFORM PROJECT

## PREPARING A STRATEGIC PLAN FOR YOUR ASSOCIATION

### **WORKSHOP**

A report prepared for the

**USAID Local Government Reform Project**  
Development Alternatives, Inc.  
3330-103  
Skopje, Macedonia

In collaboration with

**USAID/Macedonia**  
EEU-I-00-99-00012-00 #801

**AUGUST 4-6, 2000**

**HOTEL MOLIKA, REPUBLIC OF MACEDONIA**

# STRATEGIC PLANNING

**DEFINITION AND PURPOSES OF STRATEGIC PLANNING**

**STEPS IN THE STRATEGIC PLANNING PROCESS. IDENTIFYING AND INVOLVING KEY STAKEHOLDERS**

**INTRODUCTION TO THE ENVIRONMENTAL SCAN AND THE DATA BASE**

**IMPLICATION AND SWOT ANALYSIS**

**DEVELOPMENT OF ASSOCIATION VISION**

**ESTABLISHING AND PRIORITIZING STRATEGIC GOALS**

**CONDUCTING INTERNAL RESOURCE ASSESSMENT AND ESTABLISHING STRATEGIC OBJECTIVES**

**INTRODUCTION OF PERFORMANCE MEASURES**

**GENERATING AND ASSESSING ALTERNATIVES**

**IMPORTANT STEPS IN IMPLEMENTING ALTERNATIVES**

**INTRODUCTION TO PROGRAM EVALUATION AND REVIEW AND UP-DATING OF STRATEGIC PLAN**

**ELEMENTS OF AN ACTION PLAN**

# **STRATEGIC PLANNING IN MACEDONIAN ASSOCIATIONS**

## **GOALS OF THE WORKSHOP**

Participants will be able to describe the steps in the Strategic Planning process and the advantages of carrying out strategic planning in their associations

As the results of this workshop you will be able to:

- Identify and describe the importance of each step in the Strategic Planning process
- Identify and involve key stakeholders in assessing the association's strengths, weaknesses, threats and opportunities;
- Develop a process for establishing a pro-active procedure for identifying, and achieving association's goals;
- Design and implement a Strategic Planning process for your association.

## **AGENDA**

### **DAY ONE**

- 9:00** Introduction and Objectives of Workshop
- 9:30** Definition and Purposes of Strategic Planning
- 10:00** Steps in the Strategic Planning Process. Identifying and Involving Key Stakeholders  
(Small Group Activity)
- 11:00-11:15** Break
- 11:15** Introduction to the Environmental Scanning  
(Small Group Activity)
- 1:00-2:00** Lunch
- 2:00** Implication and SWOT Analysis  
(Small Group Activity)
- 3:00** Using Association Vision; Assessment of Current Conditions and Identifying Association Needs  
(Small Group Activity)
- 3:45-4:00** Break
- 4:00** Establishing and Prioritizing Strategic Goals  
(Small Group Activity)
- 5:15** Reflections on Today's Learning
- 5:30** Adjourn

## DAY TWO

- 9:00** Report out on Yesterday's Reflections
- 9:15** Conducting Internal Resource Assessment and Establishing Strategic Objectives  
(Small Group Activity)
- 11:00** Break
- 11:15** Introduction to Performance Measures  
(Small Group Activity)
- 12:30-1:30** Lunch Break
- 1:30** Generating & Assessing Alternatives  
(Small Group Activity)
- 3:15** Introduction to Program Evaluation/Review  
and Up-Dating of Strategic Plan
- Summary of the Strategic Planning Process
- 4:00-4:15** Break
- 4:15** Reflections on Workshop Learning
- 4:30** Plenary Session:  
Report out on Reflections/Evaluation of Workshop  
Celebration of Joint Agreement
- 5:30** Adjourn

## **DEFINITIONS OF STRATEGIC PLANNING**

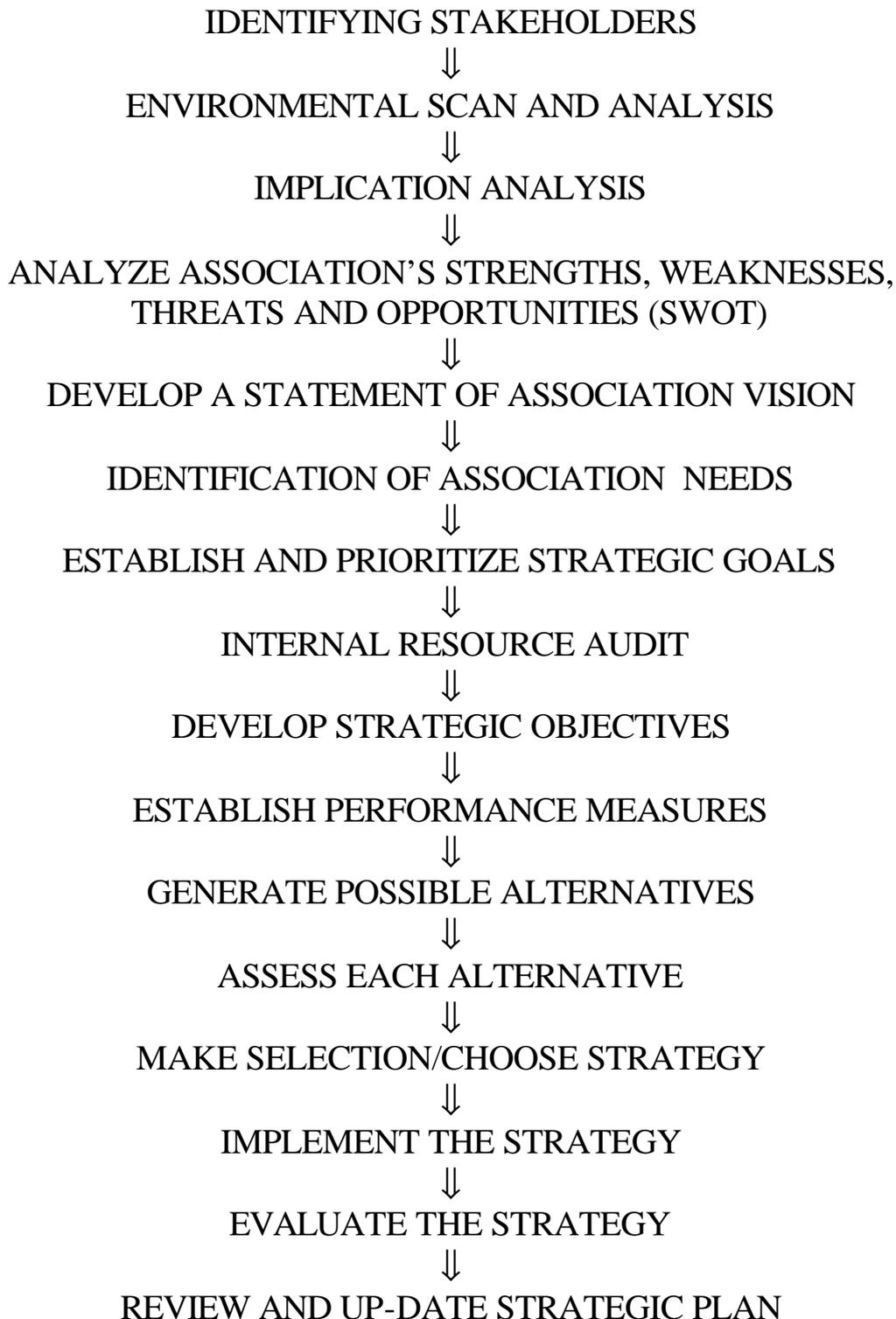
- 1) Strategic Planning is a disciplined effort to produce fundamental decisions and actions that shape and guide what an organization is, what it does, and why it does it.
- 2) Strategic Planning starts by rethinking, what business should we be in?
- 3) Strategic planning focuses on the critical issues, opportunities, and problems facing a community. It offers leaders a change to look beyond day-to-day concerns. One of the most appealing features is that it helps distinguish the truly important decisions from those with temporary impact.
- 4) Strategic planning focuses on a process to assess environmental conditions, analyze organizational strengths and weaknesses, and posture public agencies to take advantages of external challenges and opportunities.
- 5) Strategic Planning is vitally concerned with the intersection of an organization with its environment and with the creation and maintenance of a dynamic balance between the two, ensuring that the fullest feasible use is made of actual and potential organizational resources in taking advantages of environmental opportunities and repulsing threats.
- 6) Strategic Planning is that element of a manager's job and of the organization's function that deals with the contrivance of change, rather than the simple reaction to it. Strategic Planning involves those choices related to overall organizational purposes, oriented toward the future, and importantly involving uncontrollable environmental forces.
- 7) The essence of formal strategic planning is the systematic identification of opportunities and threats...which in combination with other relevant data provide a basis for an organization's making better current decisions to exploit the opportunities and avoid the threats. Planning means designing a desired future and identifying ways to bring it about.
- 8) The strategic planning process is a systematic effort by your organization to deal with the inevitability of change and to envision its own future. The importance of this process is that it enables the organization to help shape its own future rather than to simply prepare for the future.

## **PURPOSES FOR DEVELOPING A STRATEGIC PLAN**

- EDUCATE THE ASSOCIATION ABOUT WHAT THE FUTURE HOLDS ..... UNLESS TRENDS ARE CHANGED
- CREATE A VISION OF WHAT THE LOCAL GOVERNMENTS WANT THEIR ASSOCIATION TO BE IN THE NEXT DECADE
- IDENTIFY THE MAJOR CHANGES NEEDED TO ACHIEVE THE ASSOCIATION PLAN
- FORGE PARTNERSHIPS BETWEEN GOVERNMENTS, BUSINESSES, ASSOCIATION ORGANIZATIONS, AND OTHER INTERESTS IN FINDING COMMON SOLUTIONS TO COMPLEX PROBLEMS
- BUILD AN ACTION PLAN IMPLEMENTED BY ASSOCIATION ORGANIZATIONS THAT CAN BEST EFFECT THE NECESSARY CHANGES
- FORM THE FOUNDATION FOR A PROGRAM BUDGET
- ATTRACT FUNDING

## **STEPS IN THE STRATEGIC PLANNING PROCESS**

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## IDENTIFYING AND INVOLVING KEY STAKEHOLDERS

### Objectives:

At the end of this session, participants will be able to describe the steps in the strategic planning process and define the term “stakeholder.” Participants will also be able to identify and evaluate the importance of key internal and external stakeholders in their community. Participants will be able to develop strategies for involving stakeholders during the most appropriate portion of the Strategic Planning process.

### STAKEHOLDER ANALYSIS

**Stakeholders:** Any person or group inside and outside the organization that can make a claim on the organization’s attention, resources, or output or it affected by the organization’s output.

Most public organizations have many persons and groups who feel they have a stake in the organization and hold expectations about the performance of that organization. In Many respects the success or failure of the organization (even survival in some cases) is determined by how well these stakeholders are satisfied by the performance of the organization.

Stakeholder analysis may address five questions:

1. Who are the key stakeholders?
2. What expectations do they hold or what criteria do they use to judge the organization?
3. How well does the organization perform against these expectations and criteria?
4. What will be the likely impact on stakeholders of the planning decisions being considered?
5. What unique insights/perspectives can each stakeholder contribute to the strategic planning process?

Examples of potential Key Stakeholders:

**Elected Officials:**

1. Local elected officials
2. Relevant national and regional elected officials
3. Elected officials of other local jurisdictions.

**Other Officials:**

1. Senior local government professional managers
2. Other local government managers
3. All other local government employees
4. Members of boards, commissions, and other appointed groups.
5. National and regional officials with local government responsibilities
6. National and regional officials from ministries that impact Local governments.
7. Key staff members and advisors of elected officials and All of the above

**Recipients and users of public services:**

1. Homeowners and other residents who use basic local services.
2. Users of public facilities such as parks, libraries, courts And transportation systems.
3. Teachers, other education officials and students.
4. Public support recipients and those in need of public services.
5. Special interest groups with particular needs.

**Other organizations and individuals:**

1. Business and business organizations
2. Employees of constituent businesses, whether residents or not.
3. Local institutions of higher education
4. NGO's
5. Operators of public facilities such as beaches, airports, other transportation facilities or stations.
6. Operators and users of cultural outlets such as museums, Theaters, and historical sites.
7. Leaders and congregations of churches, synagogues and other places of worship.
8. Commanders of military bases and those who are stationed or employed there.
9. Travelers to and through the area.

## EXERCISE

### STAKEHOLDER ANALYSIS SHEET

Identify below Key Stakeholders that are important for Strategic Planning in your association. For the ten (10) most important stakeholders, identify the unique perspective/contributions they can make to the strategic planning process and the importance of that perspective.

Key Stakeholders:	Contribution:	Importance:	Strategy
		(Extremely, reasonably, not very)	for involvement
1.....			
2.....			
3.....			
4.....			
5.....			
6.....			
7.....			
8.....			
9.....			
10.....			
11.....			
12.....			
13.....			
14.....			
15.....			

## **INTRODUCTION TO THE ENVIRONMENTAL SCAN AND TO THE DATA BASES**

### **Objectives:**

At the end of this session, participants will be able to describe the term “environmental scan,” and describe its importance in the Strategic Planning process. They will be able to identify and discuss, specific important trends to analyze while conducting Strategic Planning and be able to describe how to apply an environmental scan to a specific association. They will also have developed the skills of analyzing a case in terms of the major trends, developed the skills of synthesizing their findings, and reporting them to their colleagues. Participants will develop skills in reviewing an environmental scan and making suggestions for improving it.

ENVIRONMENTAL SCAN AND ANALYSIS: THIS STEP INVOLVES IDENTIFYING PERTINENT FACTORS IN THE ENVIRONMENT EXTERNAL AND INTERNAL TO THE ORGANIZATION AND PROJECTING THEIR FUTURE SHAPE AND MAGNITUDE.

# DESCRIBING THE ASSOCIATION

## EXERCISE

BRIEFLY SUMMARIZE THE MAJOR TRENDS AND FACTORS AFFECTING THE ASSOCIATION FROM THE CASE:

FACTORS:

TRENDS:

FINDINGS/  
CAUSES:

Economic

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Financial

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International

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Demographic

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Social

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Cultural

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Technological

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Physical

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Environmental

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Legal

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Political

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Managerial

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## **IMPLICATION AND SWOT ANALYSIS**

### **Objectives:**

At the end of these sessions, participants will be able to analyze a description of a association and identify environmental trends that might have significance for that association. In addition participants will be able to identify the Internal Strengths (S) and Weaknesses (W) and the External Opportunities (O) and Threats (T) facing that association. Participants will be able to identify options for building on Strengths and taking advantages of Opportunities, and minimizing Weaknesses and Threats. Participants will develop the skills in reviewing and making improvements to SWOT analysis conducted by others.

## **EXERCISE**

IDENTIFY THE MAJOR STRENGTHS OF YOUR ASSOCIATION:

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IDENTIFY THE MAJOR WEAKNESSES OF YOUR ASSOCIATION:

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IDENTIFY THE MAJOR OPPORTUNITIES FACING YOUR ASSOCIATION:

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IDENTIFY THE MAJOR THREATS FACING YOUR ASSOCIATION

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IMPLICATION ANALYSIS: IN THIS STEP, THE PUBLIC MANAGER/PLANNER, ASSESSES THE PRESENT AND THE FUTURE IMPACT ON THE ORGANIZATION OF THE PERTINENT FACTORS IDENTIFIED IN STEP ONE.

IDENTIFICATION OF COMMUNITY NEEDS: ONCE THE IMPLICATION OF THE FUTURE TENDS ON THE ORGANIZATION HAS BEEN RECOGNIZED, THE FUTURE NEEDS OF THE COMMUNITY CAN BE IDENTIFIED

## **EXERCISE**

### **DEVELOPING VISION FOR YOUR ASSOCIATION**

#### **SPECIAL NOTE:**

In practice, developing a vision would involve the active participation of key actors (sometimes called "stakeholders."). Developing the association's vision would not be the sole responsibility of any one person.. However for this exercise your group can carry out this development in order to gain valuable experience.

**EXERCISE**

**IDENTIFICATION OF ASSOCIATION NEEDS**

CONDITIONS REQUIRED TO ACHIEVE THE ASSOCIATION VISION

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CURRENT CONDITIONS OF THE ASSOCIATION

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ASSOCIATION NEEDS

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## **ESTABLISHING AND PRIORITIZING A SET OF STRATEGIC GOALS**

### **Objectives:**

At the end of these sessions workshop participants will be able to define and write strategic goals, and distinguish strategic goals from administrative goals. .

**IT IS CRUCIALLY IMPORTANT TO CHOSE THE “RIGHT”**

**[GOAL AND] OBJECTIVE, MORE IMPORTANT THAN**

**IT IS TO MAKE THE VERY BEST CHOICE. A WRONG**

**OBJECTIVE MEANS THE WRONG PROBLEM IS BEING**

**TACKLED. THE DESIGNATION OF THE WRONG**

**ALTERNATIVE MAY MERELY MEAN THAT SOMETHING**

**LESS THAN THE “BEST” POLICY IS BEING**

**RECOMMENDED.**

**( E.S. QUADE )**

## DEVELOPING STRATEGIC GOALS

BASED UPON THE ASSOCIATION VISION YOU HAVE DEVELOPED FOR YOUR ASSOCIATION, WRITE TWO STRATEGIC GOALS. (Remember a strategic goal refer to a “desired state of nature” of your association or clients, reflects the broadest aims of organization, and are not time limited):

## **STRATEGIC GOALS**

**GOALS: THE BROAD AIMS OF ASSOCIATION, RELATIVELY TIMELESS, NORMALLY NOT QUANTIFIABLE, USUALLY ASSOCIATED WITH THE TOP LEVEL OF A PROGRAM BUDGET STRUCTURE.**

**A GOAL STATEMENT MIGHT BE:**

**“MAINTAIN AN ENVIRONMENT IN WHICH EACH CITIZEN OF THE COMMUNITY IS SAFER FROM CRIME”**

**OR**

**“PROVIDE OPPORTUNITIES FOR EACH CITIZEN OF THE COMMUNITY TO ENGAGE IN SATISFACTORY LEISURE ACTIVITIES”**

**AS YOU CAN SEE GOAL STATEMENTS ARE BROAD DESIRED STATES OF NATURE”.**

### **Establishing and Prioritizing Strategic Goals**

**Strategic goals, in contrast to administrative goals, always refer to the “desired state of nature” of the association or client. An example might be:**

**Create a community that is attractive present and potential community residents.**

**Or**

**Promote fiscal well-being of the community where sufficient revenues are raised to provide the desired level of public services with an acceptable tax burden.**

**Goals ( desired states of nature ) for municipalities might be:**

## **STRATEGIC GOALS**

- I. National Legislation that is considered important by Association members will reflect the priorities and values of those members.**
  
- II Members of the Association and those clients of the Association's Instructional services will have the competencies (Knowledge, Skills, and Attitudes) needed to meet or exceed their professional responsibilities.**
  
- III Members of the Association will be satisfied with the services of the Association, and be committed to working together within the Association.**

## **STRATEGIC AND ADMINISTRATIVE GOALS AND OBJECTIVES**

### **STRATEGIC GOALS**

**Definition: The broad aims of organization. Relatively timeless.**

**Example: All senior residents in our community will have access to affordable, comfortable, convenient, safe, and satisfactory shelter.**

### **OBJECTIVE**

**Definition: A precisely-defined statement of intended accomplishments. Specifies the what, how much and the when. Described the desired outcomes, changes in clients.**

**Example: By the end of FY 1997, the % of senior residents having access to affordable, comfortable, convenient, safe and satisfactory shelter will increase from the current level of 80% to at least 90%.**

### **ADMINISTRATIVE GOALS**

**Definition: Organizational mission statement. Relatively timeless.**

**Example: The department of Housing will build and maintain housing units for senior residents.**

### **OBJECTIVE**

**Definition: A precisely -defined statement of intended accomplishments. Specifies the what, how much and when. Describe program outputs and efficiency measures.**

**Example: By the end of FY 1997, the Department of Housing will construct at least 250 units of housing for seniors at a cost not to exceed 90000 denars per square meter.**

## **REPORT ON REFLECTIONS**

### **Objectives:**

Participants will be able to describe that the group identified as the key points learned the previous day and the implications for Macedonian Associations.

## **INTERNAL RESOURCE ASSESSMENT AND ESTABLISHING STRATEGIC OBJECTIVES**

### **Objectives:**

At the end of these sessions workshop participants will be able to use the results of the Internal SWOT analysis to estimate, define and write strategic objectives; and be able to distinguish strategic objectives from administrative objectives.

## **INTERNAL RESOURCE ASSESSMENT**

This step involves taking stock of the managerial, operational, fiscal, workforce, and location opportunities of the association. Assessment should be made of the amount of financial and personal resources available to carry out the chosen strategies; the skills and technologies that can be used; organizational energy and cohesion; the strengths and weaknesses of the organization; and experiences in implementing similar programs. Attributes of the organization such as the effectiveness of inter/intra organizational enforcement mechanisms, and the characteristics and disposition of implementing agencies are important to assess. What uncertainties exist that might effect the strategy. The results of these assessments are vital in determining how much progress towards the goals can be made in a given period of time. Thus these assessments will lead to the development of the strategic objectives in the next step.

**OBJECTIVE:** A PRECISELY - DEFINED STATEMENT  
OF INTENDED ACCOMPLISHMENTS QUANTIFIED  
TO THE MAXIMUM EXTENT POSSIBLE, RELATED  
TO THE PROGRAM GOAL(S), IT IS SPECIFIC,  
RATHER THAN GENERAL, AND SPECIFIES  
THE “WHAT”, “HOW MUCH,” AND “WHEN”.

**PURPOSE OF OBJECTIVES:**

PROVIDE DIRECTION TO ORGANIZATION ACTIVITIES.  
ACHIEVEMENT OF OBJECTIVES WOULD LEAD TO  
REACHING THE GOAL.

MOTIVATES.

FACILITATE THE GENERATING AND ANALYTICAL  
COMPARISON OF ALTERNATIVES.

FACILITATE CONTINUOUS PROGRAM MONITORING.

PROVIDE BASIS FOR POST - ACTIVITY EVALUATION.

## **The setting of Strategic Objectives:**

Objectives identify the specific aims of programs/activities. Strategic objectives identify the specific outcomes/changes in the client or the association.

An objective identifies *what* is to be accomplished, *how much*, and by *when*. A specific economic development strategic objective can be:

To increase by .....% the number of existing residents employed at a salary of at least .....% by the end of FY 1996.

**A program objective statement will meet all of the following criteria:**

It starts with the word “to”, followed by an *action verb*.

It specifies a *single key result* to be accomplished.

It specifies a *target date* for completion.

It is *specific* and *quantifiable* or *verifiable*.

It specifies “*what*” and “*when*” - not the “*why*” (goal) and “*how*” (strategy).

It relates directly to the *program* goal(s).

It is easily *understandable*.

It is *realistic* and *attainable*, but challenging.

It is consistent with statutes and policies.

It is consistent with resources available ( or anticipated ).

It assigns single responsibility and accountability even in joint efforts.

Setting program objectives is perhaps the most critical part of the strategic planning and budgeting process. The objectives become the foundation building blocks for the rest of the strategic plan.

Remember, an objective specifies the “*what*” “*how much,*” and “*when*”.

## STRATEGIC OBJECTIVES

- I. By the end of the 2002 Legislative Session, the percentage of Association members that report that National Legislation that the members view as important, reflect their values and priorities will increase from the current level of ..... percent of membership to at least .....%.**
  
- II. By the end of the Fiscal Year 2002, the percentage of Association members have the competencies to perform the key elements of their professional responsibilities will increase from the current level of .....% to at least .....%.**
  
- III. By the end of the Fiscal Year 2002, the percentage of Association members that express satisfaction with the services provided by the Association will increase from the current level of .....% to at least .....%.**

## EXERCISE

Write two strategic objectives for one of your strategic goals:

Strategic Objective #1:

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Strategic Objective #2:

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## **INTRODUCTION TO PERFORMANCE MEASURES**

### **Objectives:**

At the end of these sessions, participants will be able to define the types of performance measures, describe and discuss their role in strategic planning, distinguish each measure from another, and describe what each measure demonstrates. In addition, participants will be able to design a set of outcome measure that will adequately cover the strategic objectives developed earlier. Participants will be able to use a methodology by which to assess the adequacy of the set of performance measures selected.

# **HOW TO MEASURE PERFORMANCE IN THE PUBLIC SECTOR**

PERFORMANCE MEASUREMENT

PRODUCTIVITY MEASUREMENT

SERVICE EFFORT AND ACCOMPLISHMENT

DEFINITIONS

ANY METHOD OF OBJECTIVELY DETERMINING HOW WELL  
SERVICES ARE BEING PERFORMED.

ANY SYSTEMATIC ATTEMPT TO LEARN HOW RESPONSIVE A  
ORGANIZATION'S SERVICES ARE TO THE NEEDS OF THE  
COMMUNITY, AND TO THE COMMUNITY'S ABILITY TO PAY.

INDICATORS THAT ARE USED IN ASSESSING AN ASPECT OF  
PROGRAM PERFORMANCE OR NEGLECT.

## **USES FOR PERFORMANCE MEASUREMENT DATA**

### **IMPROVING DECISION MAKING**

BUDGETING AID

ALLOCATION OF RESOURCES

### **IMPROVING PERFORMANCE**

IDENTIFY AREAS NEEDING IMPROVEMENT

PROVIDE FEEDBACK ON IMPROVEMENT ACTIVITIES

HELP MOTIVATE MANAGERS AND EMPLOYEES

PERFORMANCE APPRAISAL

CONTRACTOR MONITOR

### **COMMUNICATING WITH THE PUBLIC**

MEASURING THE ATTAINMENT OF OBJECTIVES

MONITORING AND EVALUATING STRATEGIES

## **STEPS IN ESTABLISHING A PERFORMANCE MEASUREMENT SYSTEM**

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DECIDE WHAT UNITS/PROGRAMS WILL USE THE SYSTEM

DOCUMENT UNIT/PROGRAM MISSIONS, GOALS, AND OBJECTIVES

DECIDE WHAT ACTIVITIES ARE TO BE MEASURED

Identify key Results Areas

FROM A REVIEW OF THE LITERATURE IDENTIFY RELEVANT  
EXAMPLES OF PERFORMANCE MEASUREMENTS

ESTABLISH UNIT/PROGRAM PERFORMANCE MEASURES

EVALUATE PERFORMANCE MEASURES USING CRITERIA

ESTABLISH DATA COLLECTION SYSTEM

Trained Observer Ratings

Citizen Client surveys

A.Operational Information

Historical Information

Other Jurisdictions

Professional Standards

Engineering/Work Standards

Time Records

CONDUCT IMPLEMENTATION FEASIBILITY/FORCE FIELD  
ANALYSIS

MODIFY PERFORMANCE MEASUREMENT EFFORT IN LIGHT OF  
ANALYSIS

IMPLEMENT MODIFIED PERFORMANCE MEASUREMENT PROJECT  
REPORT THE RESULTS

## SERVICE EFFORT AND ACCOMPLISHMENT MEASURES

**MEASURES OF EFFORT:** Efforts are the amount of financial and non-financial resources that are put into a program or process.

**Financial information:** These are financial measures of expenditures/expenses

Non-financial information

Number of personnel

Other measures: These may include the amount of equipment or other capital assets used in providing a service.

**MEASURES OF ACCOMPLISHMENTS:** Accomplishment measures report what was provided and achieved with the resources used.

### Output Measures

Quantity of a service provided: These indicators measures the physical quantity of a service provided

Quantity of a service provided that meets a certain quality requirement:  
These indicators measures the physical quantity of a service provided that meets a test of quality

**Outcome Measures:** These indicators measures accomplishment or results that occur because of services provided.

### MEASURES THAT RELATE EFFORTS TO ACCOMPLISHMENTS:

**Efficiency measures that relate effort to outputs of service:** These indicators measure the resources used or costs per unit of output.

**Cost-outcome measures that relate efforts to the outcomes or result of services:** These measures report the cost per unit of outcome or result.

## **CRITERIA FOR SELECTING FINAL SET OF MEASURES**

**IMPORTANCE.** Does the measure provide useful and important information on the program which justifies the difficulties in collecting, analyzing or presenting the data?

**VALIDITY.** Does the measure address the aspect of concern? Can changes in the value of the measure interpreted as desirable, and can the change be directly attributed to the program?

**UNIQUENESS.** Does the information provided by the measure duplicate or overall with information provided by another measure?

**ACCURACY.** Are the likely data sources sufficiently reliable or are these biases, exaggerated, omissions, or errors which are likely to make the measure inaccurate or misleading?

**TIMELESSNESS.** Can the data be collected and analyzed in time for the decision?

**PRIVACY AND CONFIDENTIALITY.** Are there concerns for privacy or confidentiality which would prevent analysts from obtaining the required information?

**COSTS OF DATA COLLECTION.** Can the source or cost requirement for data collection be met?

**COMPREHENSIVENESS.** Does the final set of measures cover the major aspects of concern?

**EASILY UNDERSTOOD.** Will the measure be reasonably understood by Government officials?

**POTENTIAL FOR ENCOURAGING PERVERSE BEHAVIOR.** Will the measure result in behavior that is contrary to the overall objectives of the organization.

## PERFORMANCE MEASURES

Measures of Effort/Input Measures: *Costs of labour, costs of supplies, rents, utilities, etc.*

### **Measures of Accomplishments:**

**Output Measures:** *Numbers of days of training provided; Number of newsletters provided; number of Legislative Working Groups involved in; days of involvement in Working Groups; number of membership meetings; number of Board meetings; number of contacts with other organizations.*

**Outcome Measures:** *% increase in various types of competencies; % increase in membership satisfaction with national legislation; % increase in membership satisfaction with Association services; % increase in membership commitment to the Association; % increase in active membership participation in the Association.*

### **Measures Relating Effort to Accomplishments:**

**Efficiency Measures:** *Cost per training day by type; cost per news letter; cost per publication by type; cost per membership meeting per capita; cost per Board meeting per capita; cost of liaison with other organizations.*

**Cost Effectiveness Measures:** *Cost per percentage increase in competencies by type; cost per percentage increase in membership satisfaction.*

## GENERATING AND ASSESSING ALTERNATIVES

### Objectives:

At the end of these sessions, participants will be able to define and discuss the concept of “alternatives” and explain the role of alternatives in the strategic planning process. Participants will be able to identify, describe and use the various sources of alternatives. Participants will be able to assess alternatives in terms of costs, effectiveness, implementation feasibility, sensitivity, and risk and uncertainty in order to develop the Strategy for achieving a particular Strategic Objective

### GENERATING POSSIBLE ALTERNATIVES TO ACHIEVE THE STRATEGIC OBJECTIVE

CENTRAL TO EVERY STRATEGIC PLAN IS A IDENTIFICATION OF A SET OF ALTERNATIVES WHICH MIGHT ACHIEVE THE PLAN'S OBJECTIVES. ALTERNATIVES ARE THE MEANS BY WHICH IT IS HOPED THAT OBJECTIVES CAN BE ATTAINED. THEY NEED NOT BE OBVIOUS SUBSTITUTES OR PERFORM THE SAME FUNCTION.

ALTERNATIVES CAN BE IDENTIFIED BY:

IF THE ANALYSIS HAS BEEN INITIATED BY SPECIFIC PROPOSALS BY OFFICERS OR MEMBERS THESE INDIVIDUALS MAY ALSO IDENTIFY ALTERNATIVES THEY WISH CONSIDERED.

PROGRAM PERSONNEL OFTEN HAVE SPECIFIC IDEAS ON ALTERNATIVES AS WELL AS A THOROUGH KNOWLEDGE OF WHAT ASSOCIATIONS IN OTHER COUNTRIES ARE TRYING.

INDIVIDUALS AND GROUPS OUTSIDE THE ASSOCIATIONS, INCLUDING CITIZENS, COMMUNITY ORGANIZATIONS, PUBLIC INTEREST ASSOCIATIONS, AND THE NEWS MEDIA WILL OFTEN MAKE PROPOSALS.

APPROACHES OF OTHER ASSOCIATIONS TO THE SAME PROBLEM SHOULD BE EXPLORED. IDEAS BEING USED BY OTHERS CAN OFTEN BE IDENTIFIED THROUGH PROFESSIONAL MEETINGS, JOURNALS, PROFESSIONAL INTEREST GROUPS, AND WORD OF MOUTH.

DIFFERENT MIXES OF THE SAME ALTERNATIVES, SUCH AS EXPANSIONS OR CONTRACTIONS OF AN EXISTING PROGRAM, OFTEN NEED TO BE CONSIDERED.

COMBINATION OF INDIVIDUAL ALTERNATIVE MAY BE DEFINED AS WELL AS NEW ALTERNATIVES.

DURING THE ANALYSIS, NEW VARIATIONS OR IDEAS MAY BE SUGGESTED TO ALLEVIATE THE APPARENT WEAKNESS OF BASIC ALTERNATIVES THAT ARE FOUND.

IT MIGHT BE USEFUL TO HOLD “BRAINSTORMING” SESSIONS WHERE ANALYSIS AND AGENCY PERSONNEL AND PERHAPS OTHERS TRY TO GENERATE IDEAS.

PILOT TESTS OF A NEW APPROACH, RATHER THAN FULL -SCALE IMPLEMENTATION MAY BE APPROPRIATE IN SOME SITUATIONS.

HARD, KNOWLEDGEABLE, AND CAREFUL THINKING ABOUT A PROBLEM IS OTHER A NEGLECTED SOURCE OF WORTHWHILE ALTERNATIVES.

## KEY TERMS IN ASSESSING ALTERNATIVES

Life Cycle Costing:	All of the costs associated with the acquisition, operation, maintenance, and disposal of an activity, system or process.
Benefits/ Effectiveness	The positive consequences of an action. These consequences are call “benefits” if they can be expressed in monetary units, “effectiveness if they refer to the “degree of attainment of an objective.”
Implementation Feasibility	The likelihood that an alternative can be successfully implemented as planned.
Sensitivity	If a small change in the value of a variable in the Alternative would result in a change in the decision to accept that alternative, the alternative is said to be sensitive to that variable. The goal should be to find and recommend an alternative that is close to the optimum for the expected circumstances, but at the same time is, largely insensitive to many uncertainties.
Risk/ Uncertainty	The degree of uncertainties as to the negative and positive consequences of the alternative.

## ASSESSING THE ALTERNATIVE

Rank each alternative on each criterion by either high\_\_\_\_  
 Medium-- or Low----

Alternative:	Costs:	Benefits/ Effectiveness	Feasibility	Sensitivity	Risk/ Uncert.
.....	.....	.....	.....	.....	.....
.....	.....	.....	.....	.....	.....
.....	.....	.....	.....	.....	.....
.....	.....	.....	.....	.....	.....
.....	.....	.....	.....	.....	.....
.....	.....	.....	.....	.....	.....
.....	.....	.....	.....	.....	.....
.....	.....	.....	.....	.....	.....

Which Alternative(s) do you recommend?.....

The chosen alternative (s) becomes your Strategy for achieving this objective.

**POTENTIAL BARRIERS TO SUCCESSFUL IMPLEMENTATION  
OF ALTERNATIVES**

Do what degree do the following factors form a barrier to the successful implementation of the improvement alternatives you have identified?

Rate each potential barrier as to the following scores:

- 1 = no barrier caused by this factor
- 2 = slight barrier
- 3 = moderate barrier
- 4 = major potential barrier

**RESOURCES:**

- A. Insufficient funds to implement the effort -----
- Insufficient operating and maintaining funds -----
- B. Inadequate support/commitment from:
  - Governing body -----
  - National Government -----
  - Top management -----
  - Central staff -----
  - Other staff agencies -----
  - Memebers -----
  - Other (please identify) -----
- C. Central staff personnel with inadequate skills -----
- D. Insufficient support services (computers, clerical,) -----
- E. Insufficient time to properly implement the effort -----
- F. Accounting/management information system inadequate to support the new effort -----
- G. Insufficient resources to run two systems during the breakin period -----

- I. Lack of necessary space or special facilities -----
- J. Lack of economic resources in the future -----

PURPOSE, SCHEDULE AND INSTRUCTIONS:

- A: Lack of understanding of purpose by:
  - Staff personnel -----
  - Leadership -----
- B. Instructions/guidelines perceived to be unclear -----
- C. The absence of an implementation schedule -----
- D. The absence of clearly assigned duties and responsibilities -----
- E. The absence of identifiable goals and objectives -----
- F. The absence of performance measures and standards -----

MEETING CRITERIA OF FUNDING ORGANIZATIONS:

- A. Perceived inadequate accounting system -----
- B. Perceived inadequate management information system -----
- C. Perceived staff with inadequate skills -----
- D. Perceived inadequate revenues -----
- E. Perceived inadequate revenue collection systems -----
- F. Perceived inadequate management control systems -----
- G. Perceived inefficiencies of current operations -----

INTER-ORGANIZATION COORDINATION AND COOPERATION

- A. Lack of inter organization cooperation -----
- B. The existence of inter organization competition -----
- C. Organizational inertia -----
- D. The deliberate misinterpretation of guidelines -----

- E. Too many organizations must cooperative to  
implement effort -----

CHARACTERISTICS/DISPOSITION OF IMPLEMENTING ORGANIZATION

- A. Conflict with staff traditions or standard  
operating procedures -----
- B. Conflict with government traditions or standard  
operating procedures -----

DISPOSITION AND ATTITUDES OF ORGANIZATIONAL PERSONNEL

- A. Resistance because of required change in  
employee behavior -----
- B. Resistance because of required change in employee  
working conditions -----
- C. Resistance because of perceived threat to employees'  
jobs -----
- D. Resistance because of perceived threats to employees'  
prestige -----
- E. Resistance because of perceived conflicts with  
employees' values -----
- F. Other obstacles caused by employees attitudes  
(please identify) -----

CHARACTERISTICS OF THE NEW EFFORT

- A. Difficulties in demonstrating the relative advantage  
of the new effort in contrast to existing methods -----
- B. The complexity of the new effort -----
- C. Incompatibility of the new effort with  
organizational needs -----
- D. Barriers caused by attempting to implement the new  
effort all at once -----
- E. Uncertainties of technologies or procedures -----

CITIZEN REACTIONS, LEGAL AND POLITICAL FACTORS

- A. General public reaction -----
- B. Reaction of organized interest groups -----
- C. Adverse reaction of the governing body -----
- D. Need for new enabling legislation -----

## **IMPORTANT STEPS IN IMPLEMENTING ALTERNATIVES: SCHEDULING, MONITORING AND CONTROL**

### **Objectives:**

At the end of this session participants will be able to define and discuss the terms, scheduling, monitoring and control, to distinguish between them, and to explain their role in strategic planning. Participants will be able to describe procedures for scheduling a strategy, and identify what to monitor, and when to monitor its implementation. Participants will be able to describe the “management by exception” principal.

### **PRINCIPLES OF SCHEDULING**

The selection and approval of a strategy is no guarantee that full or even partial implementation will occur. There are things that the officials can do to help assure that the strategic planning effort has an impact on what the organization does. One approach to implementation is to assign specific tasks to individuals and offices with due dates. If developed with adequate detail the implementation schedule can be monitored and controlled.

This section describes how the activities that are necessary to implement the strategy you have selected in the previous session can be scheduled. A strategy is the alternative (or mixture of alternatives) that you have selected after your assessment. This step must be completed before you can design a monitoring and control system to increase the chances that the strategy will be implemented as planned.

It is useful in scheduling to use the concept of “back chaining.” “Back chaining” involves the concept of a “project” which assumes a definite beginning and a definite end. Since many strategies are continuous, perhaps it would be useful to think of end of the project as the end of “stage one” of the implementation when you have re-designed the strategy after an evaluation of the first implementation. For a complex strategy you might need to identify sub-strategies that might be completed in order to implement the full strategy. For a more simple strategy, divide the strategy into major activities that must be completed to implement the strategy, and then divide the activities into individual tasks that must be completed in order to accomplish the activity. Back chaining requires you to start your planning at the end of a successful project and work backwards to the present, identifying each activity that must be completed to achieve that successful ending. We will demonstrate this principle by identifying the activities that would be needed for you to report accurately to your municipality of your impressions of a professional site-visit to observe strategic planning in my home city of Richmond, Virginia, USA. Let’s us begin:

Once we have identified the major activities that are needed to implement the strategy, we view each activity as a “mini-strategy” or project in itself, and repeat the process in order to identify the “tasks” required to accomplish the activity.

There are at least two major attributes that we must determine for each task:

What is its position in the sequence of tasks within an activity?

How much time will each task take to complete?

I have found that to determine the position of a particular task, it is useful to ask three questions:

What task(s) must be completed before this task can begin?

What task(s) cannot start until this task is completed?

What task(s) can be carried out at the same time as this task?

Let us demonstrate these techniques using our site-visit trip:

To determine the estimated time, it has been suggested that the following technique is useful:

Ask a group of individuals familiar with the task to tell you the most optimistic time the task will take ( $t/o$ ) (that is the time if everything goes correctly and on time); the most pessimistic time ( $t/p$ ) and the most likely time ( $t/l$ ).

The estimated time ( $t/e$ ) is defined as  $(t/o+4t/l+t/p)/6!$

In addition to knowing how long the task will require and when the task begins, we must also identify the costs (usually financial=input measure) of the task; who or what group is responsible for accomplishing the task; and what indicators (output measures and/or outcome measures) will be signal of the completion of the task.

This information can now be listed, beginning with the first task of the first activity in the format below. A list of this type is frequently called a "Work Breakdown Schedule (WBS) or a Detailed Management Plan (D.P.).

**REMEMBER: THE COMPLETION OF THE TASKS ASSOCIATED WITH AN ACTIVITY MUST LEAD TO THE COMPLETION OF THE ACTIVITY AND THE COMPLETION OF ALL OF THE ACTIVITIES MUST LEAD TO THE IMPLEMENTATION OF THE STRATEGY.**



## **ELEMENTS OF AN ACTION PLAN**

### **Objectives:**

At the end of this session participants will be able to design an action plan which will lead to the implementation of a strategic planning process in their own association. Participants will develop the skills to critique and make recommendations for improving an action plan for implementing strategic planning.

## IMPLEMENTING A STRATEGIC PLANNING PROCESS

It is important to recognize that obstacles may be encountered in implementing the strategic planning process. Being aware of these potential obstacles may make it easier to avoid them or to successfully deal with them when they occur. Some obstacles that might be encountered are:

- participants who are not committed/unwilling to devote the necessary time and energy
- bad decisions
- paralysis--getting hung up on some task
- completed plan is viewed as a rigid prescription and organizational flexibility is lost
- plan is simply a wish list with no priorities set
- planning process becomes a routine exercise in filling out forms and paper shuffling
- lack of confidence in top management
- important persons don't accept the process
- benefits of strategic planning delayed so long participants lose interest

List below the obstacles from the examples above, and others that you identify using the Implementation Feasibility Analysis process in. For each obstacle, identify the solution (activities/tasks) you would carry out to overcome the obstacle.

Potential Obstacle:	Solution:
.....	.....
.....	.....
.....	.....
.....	.....
.....	.....
.....	.....

Combine the activities that make up your solutions with the activities identified in this workshop with implementing Strategic Planning to develop an Action Plan in the Work Breakdown Schedule on the next page:



## **INTRODUCTION TO PROGRAM EVALUATION AND REVIEW AND UP-DATING OF STRATEGIC PLAN**

### **Objectives:**

At the end of this session participants will be able to define the term program evaluation and describe its role in the strategic planning process. They will be able to describe and discuss various approaches to program evaluation. In addition, participants will be able to discuss the need to review and up-date their strategic plans in light of changing circumstances.

## INTRODUCTION TO PROGRAM EVALUATION

Implementing a strategy requires time, energy and money. Therefore the organization needs to know whether its investment is being spent effectively and if it is worth the effort.

Evaluation is the systematic appraisal by which we determine the worth, value or meaning of something. It is the “follow-up” step whereby the results of programs and the expenditures are judge by whether they have lived up to expectations. Evaluation, then, is a planned process, which provides specific information about a selected topic for the purposes of determining value and/or making decisions. Two important aspects of evaluation are the creation of objectives which program results can be measured and the development of a system for collecting the needed data on the results of the strategy.

It is useful to make a distinction between two types of evaluation. That of evaluation the Economy and Efficiency of the strategy, and that of evaluating the Impact or Outcomes of the strategy.

Economy and Efficiency evaluations determine 1) whether the implementation of the strategy involved the acquisition, protection and use of resources economically and efficiently, and 2) the causes of inefficiencies or uneconomical practices. Economy and Efficiency evaluations may, for example, consider whether in implementing the strategy, the organization:

- a. followed sound procurement practices
- b. acquired the appropriate type, quality, and amount of resources at an appropriate costs;
- c. properly protected and maintained its resources;
- d. avoided duplication of effort by its employees and work that served little or no purpose;
- e. avoided idleness and overstaffing;
- f. used efficient operating procedures;
- g. Used the optimum amount of resources in implementing the strategy in a timely manner;
- h. had an adequate management control system for measuring reporting, and monitoring a strategy’s economy and efficiency;
- j. had measures of economy and efficiency that are valid and reliable.

Evaluating the Impact or Outcomes of the strategy determines 1) the extent to which the identified goals and objectives established by the legislature or other authorizing body are being achieved, and 2) the actual impact or result of the strategy.

Impact or Outcome evaluations may, for example:

- a. assess whether the goals and objectives of the strategy were proper,

- suitable or relevant (including whether there was an appropriate mix of Strategic and Administrative goals and objectives;
- b. determine the extent to which the strategy achieved the strategic objective(s);
  - c. determine what outcomes the strategy did achieve;
  - d. Identify factors inhibiting satisfactory performance;
  - e. determine whether management had considered alternatives that might have achieved the objectives at lower costs (cost-effectiveness analysis, using Life Cycle Costing);
  - f. determine whether the strategy complements, duplicates, overlaps, or conflicts with other related strategies;
  - g. identify ways of making the strategy work better;
  - h. assess the adequacy of the management control system for measuring, reporting, and monitoring a strategy's outcomes;
  - i. determine whether management has reported outcome measures that are valid and reliable.

There are different measures for determining (b) and c) listed above:

To determine the extent to which the strategy achieved the strategic objective(s), requires, of course, clearly defined strategic objectives that meet the criteria identified, and a clear understanding and agreement on them. This method also requires Outcome accomplishment measures, which themselves are valid and reliable, and whose data collection methods are valid and reliable. You would then compare the Outcomes that resulted from the implementation of the strategic objective, taking care to identify and assess factors other than that of the strategy, that might influence these measures. For example, several years ago a municipality had a vision that included attracting more businesses to the area. The environmental scan identified that several prospective firms had said that poor educational levels and illiteracy among residents of the municipality as a reason for not relocating there. Based on the analysis of the condition, the municipality established a strategy of a literacy training program and a public information campaign. Outcome measures that were used to evaluate the effectiveness of this economic development strategy included: changes in level of local unemployment; changes in perception of potential firms, changes in rates of out-migration, increases in level of education and high school completion and changes in the revenue based due to new firm location.

There are also methods to identify the outcomes the strategy did achieve (other than that of achieving the objective).

The first, which is the least expensive, and least informative, is the simple Before and After assessment. The strategic planner would recall the measurement of the actual condition before the strategy was fully implemented, measure the condition after the strategy was fully implemented (with a time-lag appropriate for the strategy), compare the two levels while identifying and assessing the influences of factors other than the strategy.

A second method is Before and After Trend Analysis. This measure is similar to the first, however the strategic planner extrapolates (forecasts) the trend of the

condition, without the strategy, into the future. The planner then measure the actual condition, at a specific point in time, after the implementation of the strategy (with the appropriate time-lag), and compares this actual condition with the forecasted condition. After identifying, assessing and subtracting the possible influences of other factors, the difference between the new actual condition and the forecasted condition and be attributed to the strategy.

A third, more expensive, method for evaluating the Outcome of the implemented strategy is that of the Control Group. This method can become politically sensitive in vital service areas. Under this method, the strategic planner identifies two identical (as far as possible) parts or sections of the municipality, implements the strategy in one part, and compares the conditions of the two parts or sections after the implementation. Of course the necessity of identifying, assessing and subtracting the possible influences of other factors must be carried out. This method is sensitive since the parts/sections of the municipality not receiving the strategy might complain.

It is vital that the public strategy planner ensure that reliable data are available to demonstrate the actual outcomes that result from the strategy so that program managers can fine-tune the strategy and that decision-makers understand whether the ongoing effort is effective in resolving the situation in the best way possible with the least possible expenditure of scarce resources.

## **REVIEW AND UP-DATING THE STRATEGIC PLAN**

The strategic planning process is not over once the strategy has been implemented and evaluated. Ongoing strategic planning must take in to account likely changes in circumstances. Any major change in the factor and trends identified during the Environmental Scan should necessitate a review, and if necessary, a modification of the strategy plan. Such changes in the factors and trends might result in the identification of different Strengths, Weaknesses, Opportunities and Threats, and even a change in the Strategic Goals identified and/or the priority assigned to each.

Changes in the factors and trends analyzed during the environmental scan are not the only reasons that a strategic plan needs to be reviewed and up-dated. The evaluation of the economy and efficiency and the outcomes of the strategy might provide good news or bad news (or a combination of both). The good news is that the strategy achieved the desired strategic objective. This level of achievement might reduce the priority of the associated strategic goal, thus allowing other strategic goals to increase their priority.

The bad news that the outcome evaluation might provide is that the strategy did not achieve the strategic objective or even a satisfactory level of results. Strategies might be ineffective for many reasons. The strategy may be good but have insufficient resources devoted to its implementation. Or the basic theory behind the strategy might be flawed. The medicine will not cure the disease. Either of these two conditions call for a review and up-dating of the strategic plan, at least starting at the stage of Generating and Assessing Alternatives.

The strategic planner might also want to develop Contingency Plans. Contingency plans address the “what if” situations:

- What if the state further reduces subsidies?
- What if there is an increase in inflation?
- What if there is a recession?
- What if there is an substantial increase (or decrease) in population?
- What if there are some natural disasters?
- What if there is a drastic decrease in local revenues?

In a contingency plan, the strategic planner identifies events that are not predictable from the environmental scan and are not anticipated in the strategic goals, objectives and strategies. Each contingency is accompanied by an implementation plan to be used “in the event.” Thus, managers can react quickly rather than beginning to deliberate at the last minute.

Contingency plans may need to be implemented for several reasons. It could be that one or more environmental factors were inaccurately assessed during the environmental scan. Or that an environmental factor or trend changed substantially.

Contingency planning enables associations to react swiftly, maintain public confidence and correct problems.