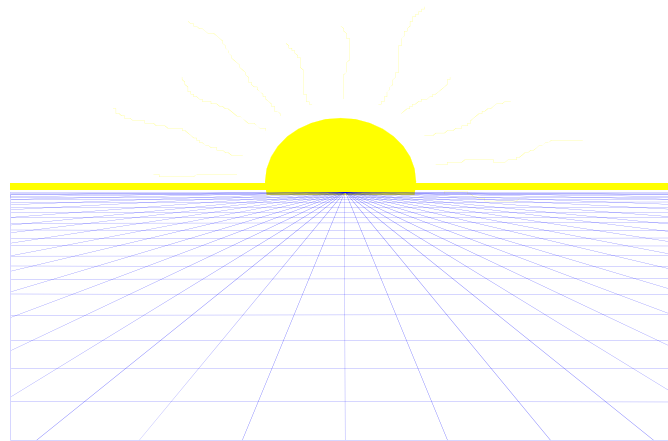


MANAGEWARE



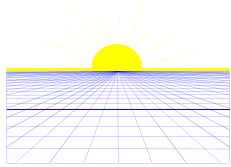
# STRATEGIC PLANNING



## PART I PROCESS OVERVIEW

Office of Planning and Budget  
Division of Administration  
State of Louisiana

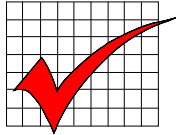




# STRATEGIC PLANNING

- Strategic planning is a future-oriented process of self-assessment and goal and objective setting that:
  - (a) considers an organization's purpose, capacities, and environment; and
  - (b) results in a strategic plan that determines a path for the development of the organization's resources in order to achieve meaningful results.
  
- Strategic planning takes a long-range approach, employs regular reviews and updates, and provides guidance for annual operational plans and budgets as well as for capital outlay plans and budgets.

MANAGEWARE



# STRATEGIC PLANNING IN CONTEXT

- ✓ Strategic planning is one component of [Managing for Results](#).

([Managing for Results](#) is a broad management style that integrates strategic planning, operational planning, performance-based budgeting, and performance accountability.)

- ✓ **Strategic planning is required as part of Louisiana's performance-based program budgeting process.**



## LOUISIANA'S EXPERIENCE

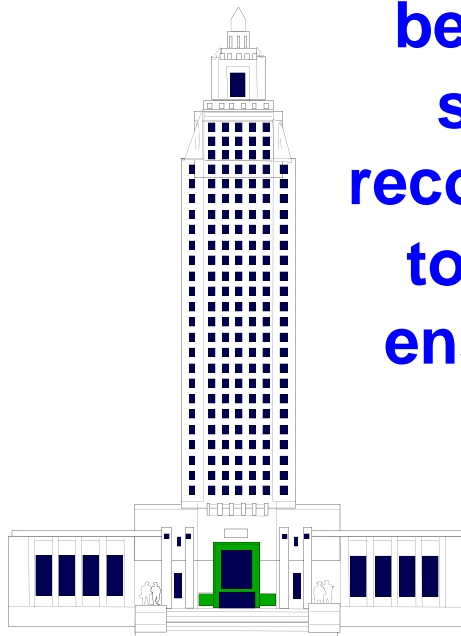
- Performance indicators reported in budget for over 50 years, with increased usage in executive budget beginning in 1970s.
- Move to program budgeting in early 1990s featured administration guidelines for strategic planning, operational planning, and performance accountability—but no explicit, statutory requirement for these processes.
- Act 1465 of 1997 mandated performance-based budgeting.
- Some provisions of Act 1465 amended by Act 1169 of 1999, Act 82 of First Extraordinary Session of 2000, and Act 1057 of 2003.

*History*



## LOUISIANA'S EXPERIENCE

**"It is the intent of the legislature that performance-based budgeting practices be established throughout Louisiana state government. The legislature recognizes the value of relating funding to expected performance in order to ensure efficiency and economy in the expenditure of state funds."**



**-- Act 1465 of 1997**



# LOUISIANA'S MANAGEMENT PROCESSES

## STRATEGIC PLANNING

Statewide Initiatives – Children's Cabinet & Workforce Development  
Agency 5-Year Strategic Plans

## PERFORMANCE ACCOUNTABILITY

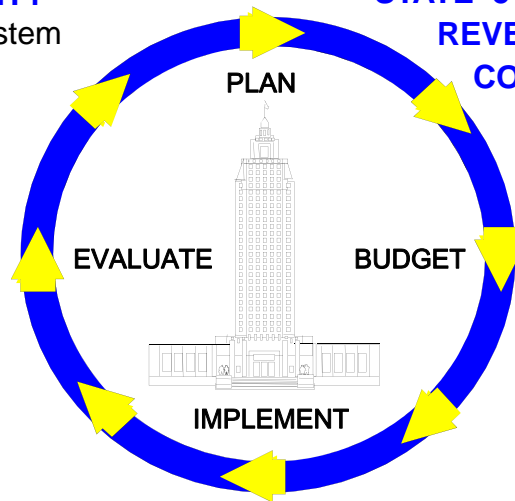
La. Performance Accountability System (LaPAS)  
Performance Progress Reports  
Program and Contract Evaluations  
Annual Management and Program Analysis Reports  
Performance Audits  
Sunset Review

## FINANCIAL ACCOUNTABILITY

Comprehensive Annual Financial Report (CAFR)  
Financial & Compliance Audits  
Inspector General Audits

## MONITORING IMPLEMENTATION

AFS Reports  
Fiscal Status Reports  
Internal Performance Monitoring  
Contract Monitoring



**STATE 5-YR BASELINE BUDGET PROJECTION  
REVENUE ESTIMATING CONFERENCE  
CONSENSUS ESTIMATING CONFERENCE**

**OPERATIONAL PLANNING  
OPERATING BUDGET  
DEVELOPMENT & APPROPRIATION**

**CAPITAL OUTLAY PLANNING**  
5-Year Plan (updated annually)  
Capital Outlay Request Tracking System (CORTS)

**CAPITAL OUTLAY BUDGET  
DEVELOPMENT & APPROPRIATION**

**PROGRAM MANAGEMENT  
BUDGET MANAGEMENT  
FACILITY MANAGEMENT  
HUMAN RESOURCE MGT.  
CONTRACT MANAGEMENT**



# LOUISIANA'S MANAGEMENT PROCESSES

## ○ Strategic Planning

### ● Statewide Strategic Plans & Initiatives

- Master Plan for Higher Education
- Louisiana Workforce Development
- Louisiana Children's Cabinet
- Human Resource Policies that benefit women and families
- Louisiana Recovery Authority
- Hurricane preparedness plans
- Civil Service workforce planning
- Office of Information Technology
- Gubernatorial special task forces and commissions



# LOUISIANA'S MANAGEMENT PROCESSES

## ● Strategic Planning

### ● Agency 5-Year Strategic Plans

- Revisions and updates, at a minimum, every 3 years
- Must be carried to program level





# LOUISIANA'S MANAGEMENT PROCESSES

- Performance-based Budgeting (PBB)
  - Annual Operational Plans
  - Concise Executive Budget
  - Detailed Executive Budget Supporting Document
  - General and Ancillary Appropriation Bills including:
    - Program Descriptions
    - General Performance Information
    - Key Objectives
    - Key Performance Indicators
  - General and Ancillary Appropriation Acts with Performance Standards



# LOUISIANA'S MANAGEMENT PROCESSES

- **Performance-based Contracting**
  - Mandated by Acts 739 and 1424 of 1997
  - Contracts over \$5,000 must provide purpose, goals, objectives, performance indicators, monitoring plan



# LOUISIANA'S MANAGEMENT PROCESSES

## ○ Performance Accountability

- Quarterly Performance Progress Reports via Louisiana Performance Accountability System (LaPAS)
  - Reviewed by Legislative Fiscal Office (LFO) and reported to Joint Legislative Committee on the Budget (JLCB)
  - Audited by Office of Legislative Auditor
- Performance Audits by Office of the Legislative Auditor
- Performance-based Rewards and Penalties
  - Based on variance greater than 5% between performance standard and actual performance and compliance with PBB requirements
  - Incentive Fund for exceptional performance
- Sunset Review

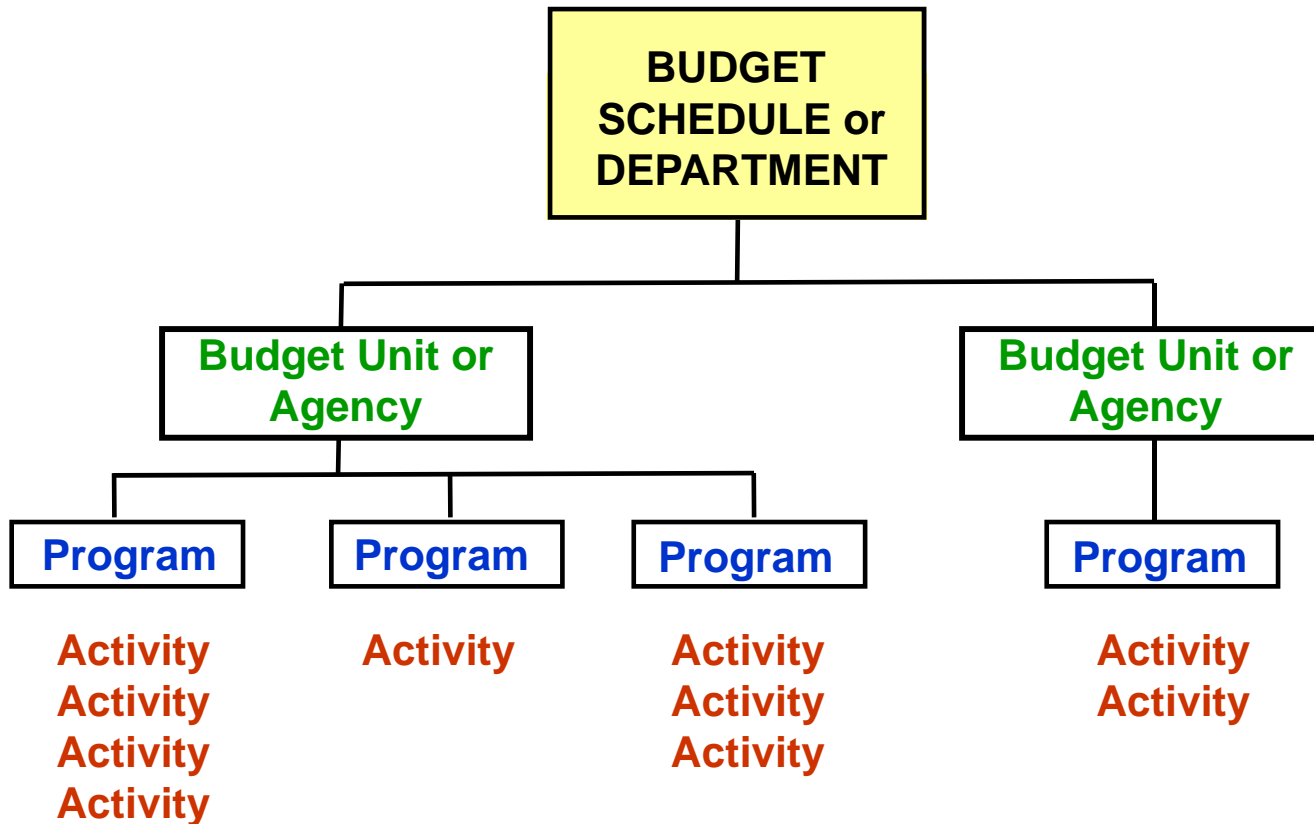


# PROGRAM STRUCTURE

- ❖ Strategic plans, operational plans, and performance-based budgets are geared to program structures.
- ❖ Funds are appropriated to budget units, BY program.
- ❖ A program is a grouping of activities directed toward the accomplishment of a clearly defined objective or set of objectives.
- ❖ Program structure is an orderly, logical array of programs and activities that indicates the relationship between each.



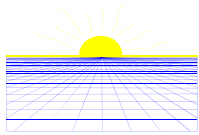
# PROGRAM STRUCTURE





## PROGRAM STRUCTURE

- A department or agency may seek changes to its program structure, BUT all revisions must be cleared through both the Office of Planning and Budget and the legislature.
- Then, a budget unit's program structure must be modified by the legislature during the appropriation process.



## Why Plan?

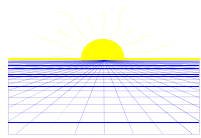


“Cheshire Puss,” Alice began.  
“Would you tell me, please, which  
way I ought to go from here?”

“That depends a good deal on where  
you want to get to.” said the cat.

“I don’t much care where. . . .” said Alice.

“Then it doesn’t matter which way you go  
said the cat.”

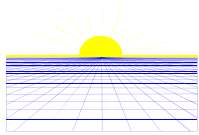


Strategic  
Planning

## CHARACTERISTICS OF STRATEGIC PLANNING

- ☑ Strategic planning is planning for results.
- ☑ Strategic planning is planning for change.
- ☑ Strategic planning is adaptable.
- ☑ Strategic planning employs common sense.
- ☑ Strategic planning guides deployment of resources.





**Strategic  
Planning**

## **STRATEGIC PLANNING IS NOT:**

**Quick Fix**

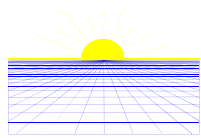


**Cookie Cutter**



**Magic Wand**



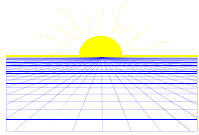


## PAYOFFS: THE BENEFITS OF STRATEGIC PLANNING

**The future can be shaped by choice or chance.**

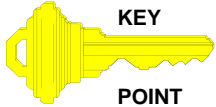
- ✓ Strategic planning is an organized common sense approach that helps you manage the future, rather than be managed by it.
- ✓ Strategic planning enables informed—rather than “shoot from the hip” decision making.
- ✓ Strategic planning is creative, not reactive. It helps you move from a reactive, crisis management mode into a proactive, anticipatory management setting. It permits government to be a catalyst for change—that is, to “steer” rather than simply “row” the boat, or “drift along” with the current.

**IF YOU FAIL TO PLAN, YOU PLAN TO FAIL.**



**Strategic  
Planning**

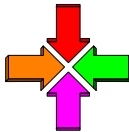
## HOW DOES IT WORK?



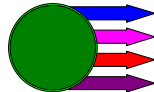
**Strategic planning addresses five questions:**



**Who are we?**



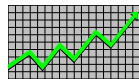
**Where are we now?**



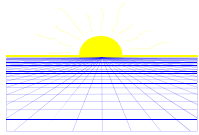
**Where do we want to be?**



**How do we get there?**



**How do we measure our progress?**



Strategic  
Planning

## HOW ARE STRATEGIC PLANS USED?

Strategic plans play a critical role in:



Department/agency and program management



Operational planning and budgeting



Capital outlay planning and budgeting



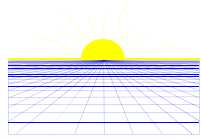
Consensus Estimating Conference



Performance audits



Sunset review

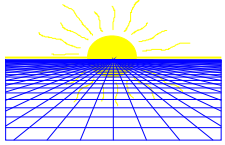


## Strategic Planning

# HALLMARKS OF SUCCESSFUL STRATEGIC PLANNING

- ✓ Enjoys full support of leadership
- ✓ Uses flexible and user friendly approach
- ✓ Is participatory and inclusive
- ✓ Produces unity and common purpose
- ✓ Maintains awareness of the environment in which it functions
- ✓ Is politically sensitive.
- ✓ Is realistic regarding outcomes and resources
- ✓ Establishes and ensures accountability for outcomes
- ✓ Clearly defines responsibilities and timetables
- ✓ Leads to resource decisions
- ✓ Is clear and convincing
- ✓ Remains fresh and continuous, not stale and static





**Strategic  
Planning**

# PROCESS COMPONENTS



## PARTICIPANTS IN THE PROCESS

Strategic planning is a team effort. This team should include:

- Department or agency head
- Members of boards and commissions with policy-making authority
- Senior executive team (SET)
- Planning coordinator(s)
- Budget manager(s)
- Performance accountability coordinator(s)
- Facility or fixed asset manager
- Human resources manager
- Information management systems manager
- Middle managers (program managers), supervisors, staff
- Quality coordinator
- Public information officer
- Facilitator



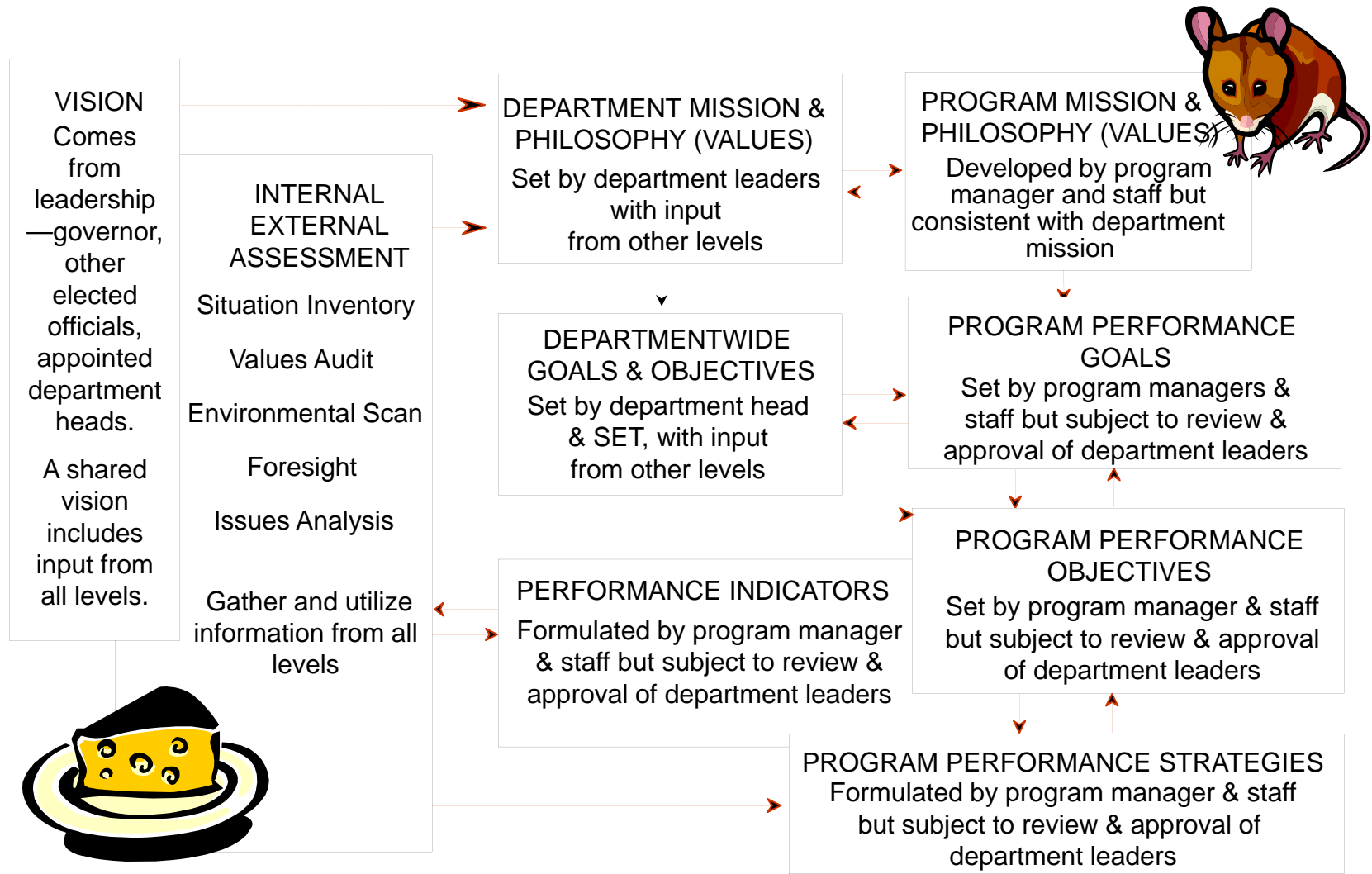
## STRATEGIC PLANNING FLOW

- ❖ Louisiana uses performance-based program budgeting, so strategic planning must be pushed down to the program level.
- ❖ However, the strategic planning process does not “start over” independently at each organizational level.
- ❖ There are linkages at multiple levels of organizational planning and budgeting.

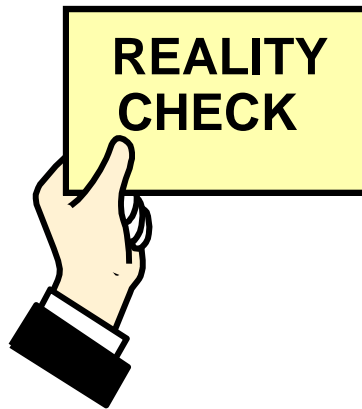


## APPLYING THE STRATEGIC PLANNING PROCESS

# STRATEGIC PLANNING FLOW



## STRATEGIC PLANNING FLOW



The strategic planning process is not necessarily linear. As you work through each component of the planning process, you may need to revisit a previous component and make adjustments based on feedback from various levels within your organization.

But, you can make it successfully through the maze.....



## STATEWIDE CONSIDERATIONS

Statewide strategic planning and coordination initiatives required by statute to be incorporated into agency strategic planning efforts:

- **Louisiana Workforce Commission**
  - Act 1 of 1997
- **Children's Cabinet**
  - Act 5 of 1998 Extraordinary Legislative Session
  - Act 1225 of 2003
- **Human Resource policies benefiting women and families**
  - Act 1078 of 2003

## STATEWIDE CONSIDERATIONS

Other statewide strategic planning and coordination initiatives that may influence agency strategic planning efforts:

- Louisiana Recovery Authority and other hurricane recovery initiatives
- Preparedness for future emergencies
  - Governor's Office of Homeland Security and Emergency Preparedness
- Department of State Civil Service workforce planning initiatives
- Office of Information Technology policies, standards, and statewide plans
- Gubernatorial special task forces and commissions

## REQUIREMENTS: TIMING AND GUIDELINES



Each department and agency of state government must engage in strategic planning and must produce a strategic plan to guide its ongoing and proposed activities for the next five (5) years.



All plans must be revised and updated at least every three (3) years.



Guidelines from the Division of Administration, Office of Planning and Budget (OPB) must be used. Guidelines are available on the OPB website.

## REQUIREMENTS: SUBMITTING THE PLAN



Strategic plans must be submitted to the commissioner of administration (through the OPB) and the standing committee of each house of the legislature having responsibility for oversight of the department/agency.



As a practical matter, you should send notification of plan and documentation availability on your website also to:

- > Legislative Fiscal Office
- > House Appropriations Committee/ House Fiscal Division
- > Senate Finance Committee/Senate Fiscal Section
- > Office of the Legislative Auditor

## REQUIREMENTS: SUBMITTING THE PLAN



Website publication of strategic plans and process documentation is required for all state departments/agencies that have website capability.



To submit your strategic plan, which is a public document:

- ✓ Place your strategic plan, including documentation, on your website; and
- ✓ Send a notification to the official recipients, stating the availability and web location of the plan
- ✓ Hard copy or other electronic submission does not substitute for website publication.



**NOTE:** If your organization does not have a website, contact the OPB regarding submission of hard copy.

## REQUIREMENTS: CONTENTS OF THE PLAN



Each strategic plan must contain the following at the department or agency level, whichever is the higher organizational level:

- Department (or agency) vision statement
- Department (or agency) mission statement
- Department (or agency) philosophy (values) statement
- Department (or agency) goals



## REQUIREMENTS: CONTENTS OF THE PLAN



Each strategic plan must contain the following at the department or agency level, whichever is the higher organizational level:

- A statement identifying strategies for development and implementation of human resource policies that are helpful and beneficial to women and families

## REQUIREMENTS: CONTENTS OF THE PLAN



Each strategic plan may contain the following at the department or agency level:

- Departmentwide or agencywide objectives
- Departmentwide or agencywide strategies

## REQUIREMENTS: CONTENTS OF THE PLAN



Each strategic plan must contain the following for each program of the department or agency:

- ☑ Mission statement (consistent with department or agency mission) and description identifying activities
- ☑ Performance goal(s)—the same as, linked with, or consistent with department and/or agency goal(s)
- ☑ Performance objectives
- ☑ Performance strategies to achieve each stated goal & objective
- ☑ Performance indicators for each objective (including, at a minimum, an indicator of outcome, efficiency, or quality, as well as indicators of input and output, as necessary and relevant)

## REQUIREMENTS: CONTENTS OF THE PLAN



Each strategic plan may contain the following:

- Intermediate organizational level components (for large, complex (“umbrella”) departments)
  
- Additional descriptive information, including organization charts, and program structure charts



**NOTE:** If your organization is large, your mission complex and carried out by multiple agencies, or you house agencies or programs with dissimilar individual missions or functions, then your plan needs organizationwide objectives and probably organizationwide strategies to ensure coordination and efficiency of agency and program outcome targets, processes, performance measurements, and resource allocations.

## REQUIREMENTS: CONTENTS OF THE PLAN



Each strategic plan must contain the following process documentation:

- ☑ A brief statement identifying the principal clients and users of each program and the specific service or benefit derived by such persons or organizations
- ☑ Identification of the primary persons (customers or other stakeholders) who will benefit from or be significantly affected by program performance objectives.
- ☑ The statutory requirement or other authority for each goal of the plan.

**(Continued on next slide)**

## REQUIREMENTS: CONTENTS OF THE PLAN



Each strategic plan must contain the following process documentation:

- ☑ An identification of potential external factors that are beyond the control of the entity and that could significantly affect the achievement of its goals or objectives
- ☑ A description of any program evaluation (or other assessment tool) used to develop objectives and strategies.
- ☑ An explanation of how duplication of effort will be avoided when the operations of more than one program are directed at achieving a single goal, objective, or strategy.

**(Continued on next slide)**

## REQUIREMENTS: CONTENTS OF THE PLAN



Each strategic plan must contain the following process documentation:

- ☑ Documentation as to the validity, reliability, and appropriateness of each performance indicator, as well as the method used to verify and validate the performance indicators as relevant measures of each program's performance.
  
- ☑ A description of how each performance indicator is used in management decision making and other agency processes.

## REQUIREMENTS: CONTENTS OF THE PLAN



Use these tools to support and document your strategic planning process:

- Strategic Planning Checklist
- Performance Indicator Documentation sheets
- Performance indicator matrix
- Action Plan forms



## REQUIREMENTS: CONTENTS OF THE PLAN

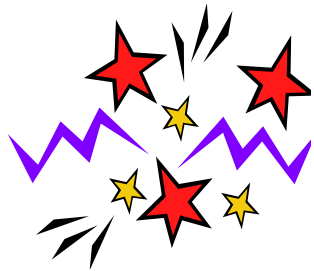


Process documentation materials may be placed in an appendix to the strategic plan or with relevant plan components in the plan.



Process documentation materials must be provided to all recipients identified in strategic planning guidelines.

## REQUIREMENTS: CONTENTS OF THE PLAN



**DON'T PANIC**

We'll talk about how to meet all these requirements later in this class.

## REQUIREMENTS: CONTENTS OF THE PLAN



**POINTER:** Action plans, which itemize how a strategy will be implemented, are of great value to program managers and supervisors. However, they generally are much too detailed for inclusion in department or agency strategic plans.

Action plan development is a required part of the strategic planning process but submission of action plans as part of the department/agency strategic plan is not required. Action plans should remain at the staff level and be available for viewing upon request.



**Let's take a break**

When we come back, we'll talk about options for strategic plan structure and how to revise and update a strategic plan.

## STRUCTURE OF THE PLAN



How should my strategic plan be organized?

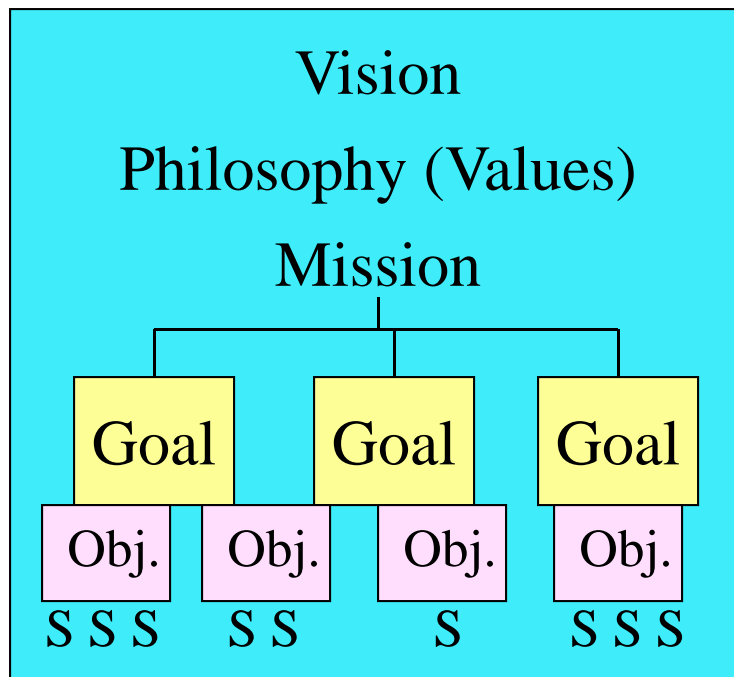
Here are some sample models, based on strategic plans that have been submitted in the past.

However, some have major weaknesses and should be avoided.

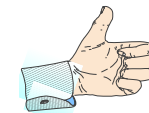


# STRATEGIC PLAN MODELS

Agency with only one program



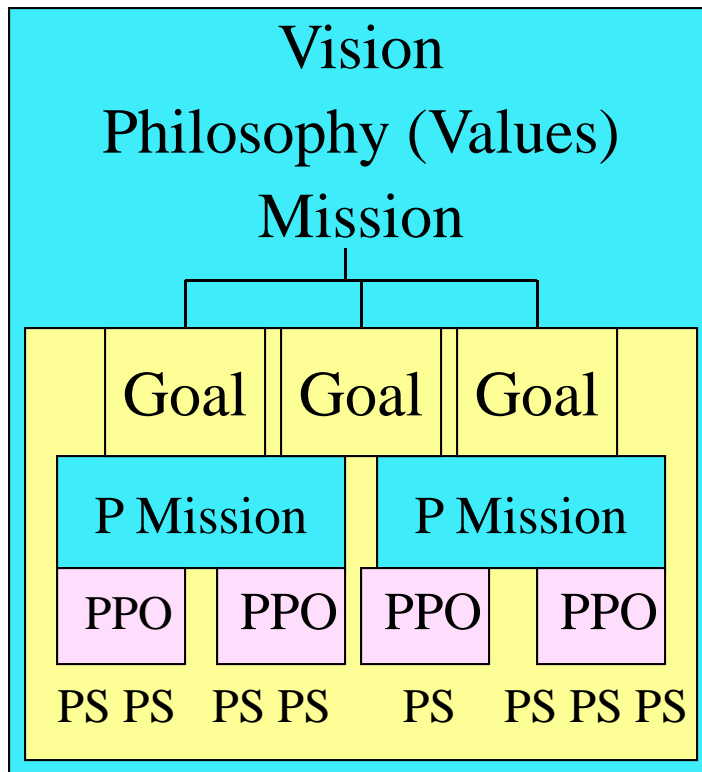
Since agency and program are the “same,” plan components represent both agency and program.



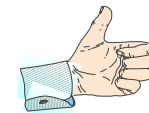
S = Strategy

# STRATEGIC PLAN MODELS

Department or agency with multiple programs supporting all organizationwide goals



Department/agency goals and program performance goals are the same. All programs share and support the same goals.



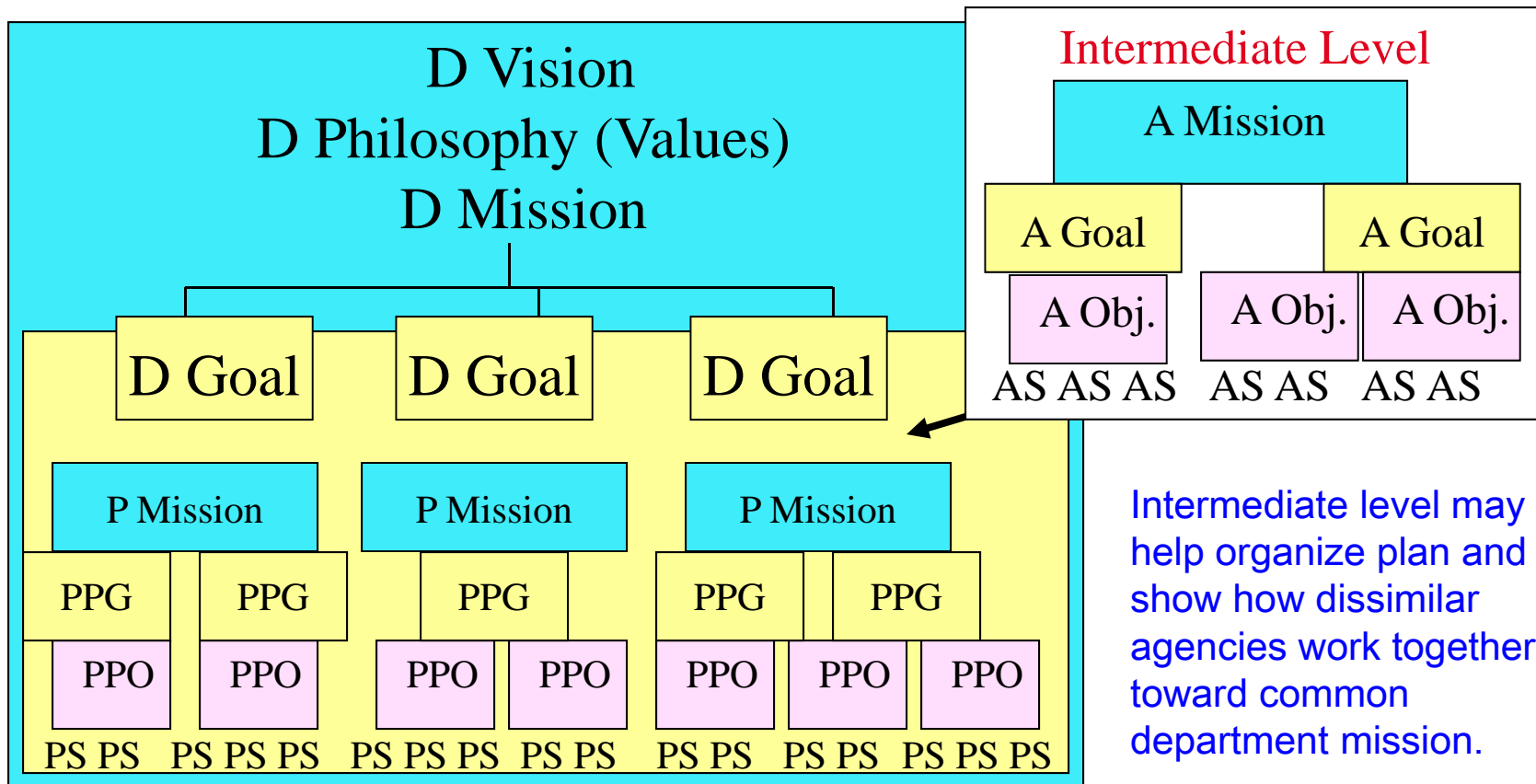
P = Program

PPO = Program  
Performance Objective

PS = Performance  
Strategy

# STRATEGIC PLAN MODELS

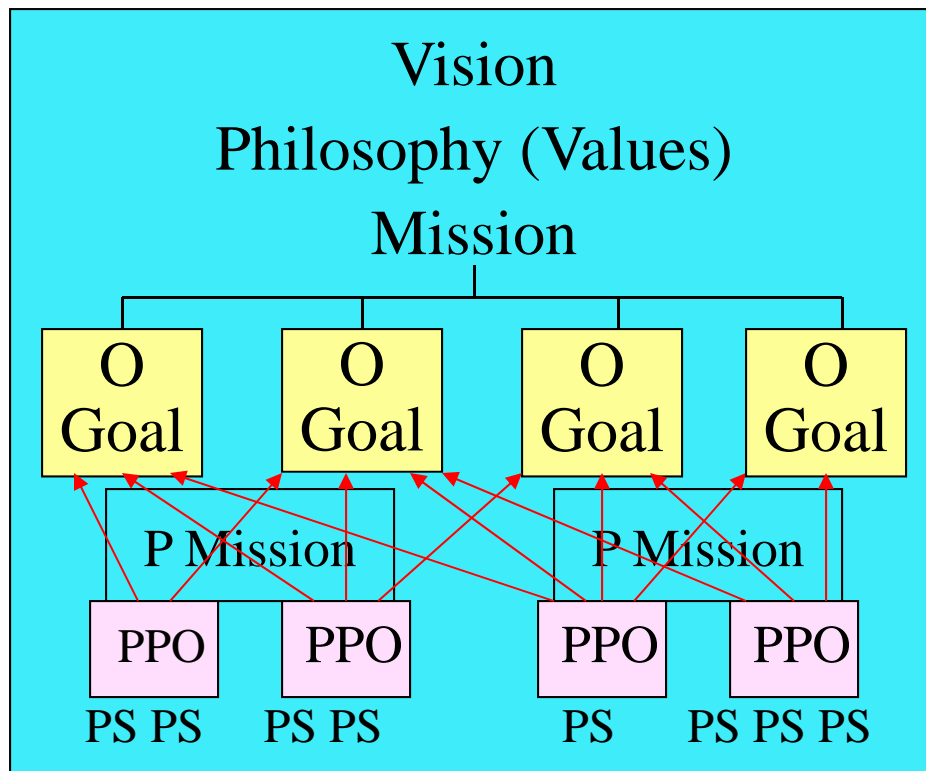
Large, complex (“umbrella”) department with multiple agencies



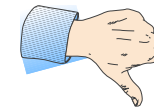


# STRATEGIC PLAN MODELS

Department or agency in which each program supports some but not all organizationwide goals



Plan leans toward confusion and lack of clear focus and coordination at highest level. This model does not diminish "silos."



O = Organization

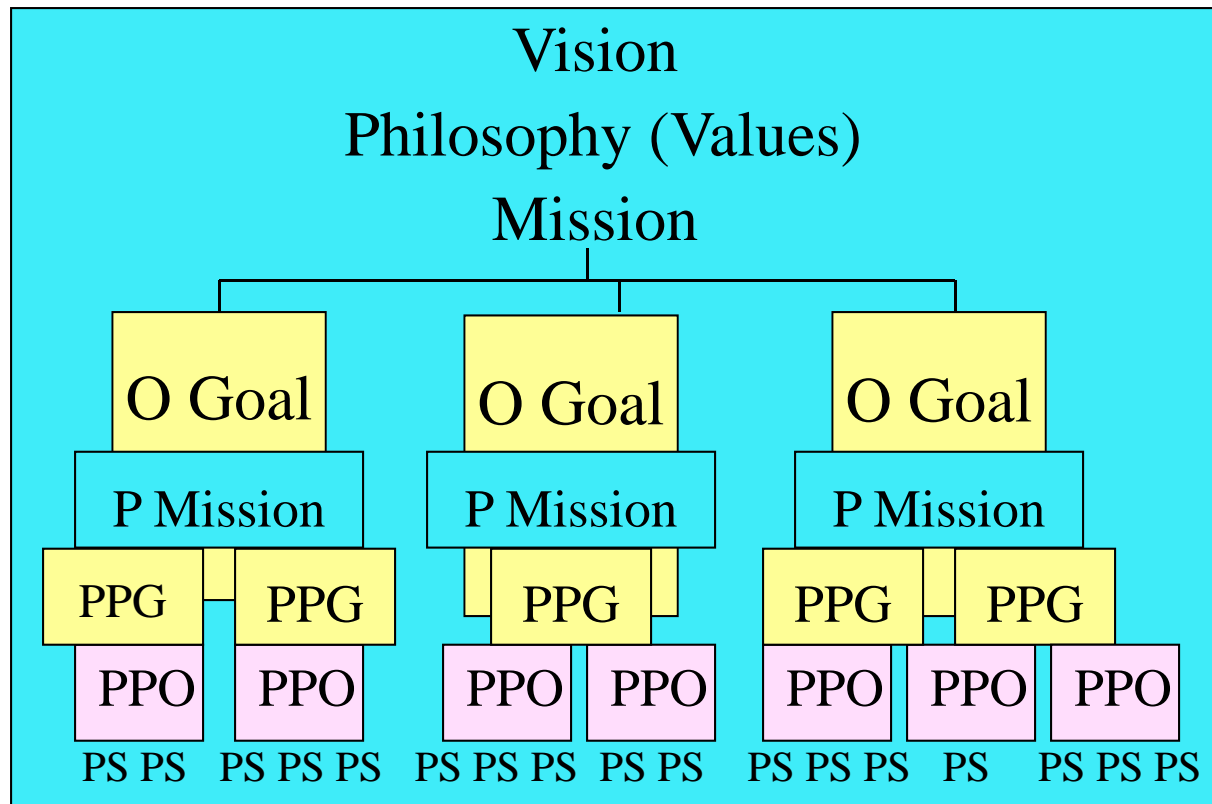
P = Program

PPO = Program  
Performance Objective

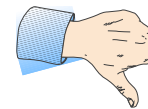
PS = Performance  
Strategy

# STRATEGIC PLAN MODELS

Department or agency with program performance goals that amplify specific department goals



Plan encourages  
“silo” organization  
and mentality.



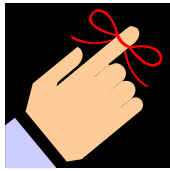
P = Program

PPG = Program  
Performance Goal

PPO = Program  
Performance Objective

PS = Performance  
Strategy

## STRATEGIC PLAN STRUCTURE



REMEMBER

The sample models show here are just that—samples. As long as the required strategic plan components are present, strategic plan structure can be flexible.

Follow the needs of your department or agency but avoid “silo” mentality and confused, unfocused plan approach. Remember the KISS approach.



However, when in doubt, check it out. Contact the OPB budget analyst who works with your group to raise issues or questions regarding plan layout.

APPLYING THE STRATEGIC  
PLANNING PROCESS



## COMMUNICATING AND MARKETING THE PLAN



**Successful implementation of a strategic plan depends on  
3 things:**



**Everyone knows the destination.**

**A consistent course is being steered.**



**The journey sounds so exciting that  
everyone wants to jump on board and go  
along.**



## COMMUNICATING AND MARKETING THE PLAN



Therefore, successful implementation of strategic plans is dependent, to a large extent, on effective communications.

**Internally**, the strategic plan must be communicated at all organization levels. Leaders and staff must have a clear understanding of the plan and their roles in it.

**Externally**, the strategic plan must be communicated to individuals and groups who have an interest in, or an effect on, the organization's programs.



## COMMUNICATING AND MARKETING THE PLAN



To develop an effective communications or marketing strategy for the plan, organize, plan carefully, and deliver the message using every avenue available. Some simple guidelines are:

- Organize and coordinate communications resources.
- Identify and direct communications to key stakeholders and expectation groups.
- Clarify and simplify the plan for public consumption.
- Distribute the message as widely as possible.
- Broaden the base for support through local connections.
- Monitor public and media reactions and make adjustments to communications as appropriate.

## REVISING AND UPDATING THE PLAN

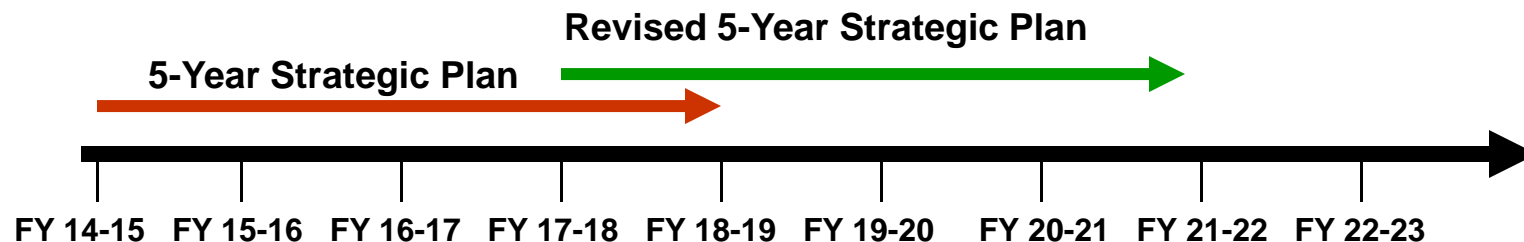
- ✓ Successful strategic plans are not static.
- ✓ Revision and update are required, at a minimum, every three years after submission of an initial strategic plan.

(The OPB recommends an annual effort to track progress toward accomplishment of strategic goals and objectives. This annual progress evaluation may reveal the need to make a few adjustments or accommodations. However, unless extraordinary changes in internal capacity or external operating environment have occurred, it should not be necessary to overhaul or rewrite your entire strategic plan annually.)

## REVISING AND UPDATING THE PLAN

Revision and update move the plan into the future.

- A three-year update moves the plan three years into the future.
- The strategic plan remains a five-year plan. Its start and end dates are moved into the future.
- See Division of Administration (OPB) guidelines.





## APPLYING THE STRATEGIC PLANNING PROCESS

# REVISING AND UPDATING THE PLAN

Existing 5-Yr.  
Strategic Plan from  
July 1, 2013  
  
Covers FY 14-15  
through FY 18-19



FY 16-17   FY 17-18   FY 18-19   FY 19-20   FY 20-21   FY 21-22   FY 22-23   FY 23-24   FY 24-25   FY 25-26

July 1, 2016   July 1, 2017   July 1, 2018   July 1, 2019   July 1, 2020   July 1, 2021   July 1, 2022   July 1, 2023   July 1, 2024   July 1, 2025

Updated 5-Yr.  
Strategic Plan Due  
  
Covers FY 17-18  
through FY 21-22

Updated 5-Yr.  
Strategic Plan Due  
  
Covers FY 20-21  
through FY 24-25

Updated 5-Yr.  
Strategic Plan Due  
  
Covers FY 23-24  
through FY 27-28

➤ Prepare  
Operational Plan  
for next FY

## REVISING AND UPDATING THE PLAN

Strategic plan review compares actual with expected results.

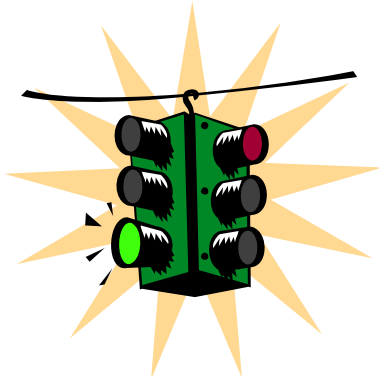
- It looks at projected versus actual timetables.
- It determines whether the plan is on time and on target.



## REVISING AND UPDATING THE PLAN

**IF** review and evaluation show that:

- there are no major changes in leadership vision, internal capacity or external operating environment
- strategies and action plans are proceeding on schedule,
- progress toward goals and objectives is being realized as expected, and
- anticipated results are being achieved

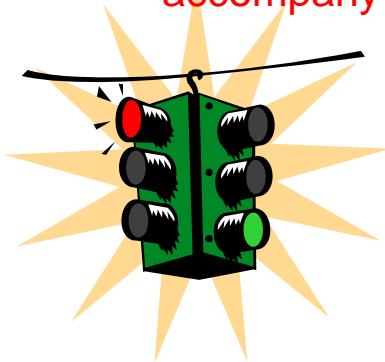


**THEN** the department or agency reaffirms goals, objectives, and strategies—adjusting, as appropriate, to continue or “grow” progress and accomplishments—and moves the plan ahead.

## REVISING AND UPDATING THE PLAN

However, **IF**

- there are significant changes in leadership vision, internal capacity or external operating environment,
- strategies and action plans are not on schedule or working as expected,
- progress toward goals and objectives is not occurring as expected,
- anticipated results are not being achieved,
- unexpected or undesirable consequences are being generated, or
- current goals and objectives (and the performance measures that accompany them) are inadequate or unrealistic



**THEN** the department or agency modifies the plan as needed and moves the plan ahead.

## REVISING AND UPDATING THE PLAN

To review and then revise and update a strategic plan, take a look at:

- the plan format and determine whether it can be improved.
- statewide planning and coordination initiatives that must be incorporated into department/agency strategic plans.
- each of the plan components and determine whether each is still valid.

## REVISING AND UPDATING THE PLAN

**WARNING WARNING WARNING**

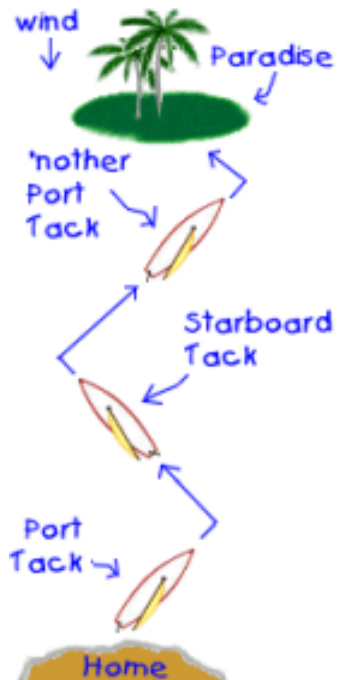
A well conceived, well researched, and well written strategic plan does not ensure success. The execution of the plan must be flexible and the organization must be nimble.



**POINTER:** Do not turn a strategic plan into an icon. Keep your finger on the organization pulse and an eye on the vagaries of your operating environment. As long as you continue to steer toward your goals, don't be afraid to modify the specifics of your plan. You may need to tack from time to time.

## APPLYING THE STRATEGIC PLANNING PROCESS

# REVISING AND UPDATING THE PLAN



You can sail a boat in various directions, including upwind, by shifting the relative position of the sail and rudder. You can get where you want to go, but almost never in a straight line, which is one of the most pleasurable features of sailing. You need to tack—zigzagging back and forth across your desired course line and shifting the sail and boom from one side of the boat to the other.



**Let's take a break**

When we come back, we'll talk about the individual components of the strategic planning process.