

## DIVISION OF ADMINISTRATION GUIDELINES



# REVISING FIVE-YEAR STRATEGIC PLANS

Successful strategic plans are not static. Title 39 of the Louisiana Revised Statutes requires that department/agency five-year strategic plans be revised and updated, at a minimum, every three years.

As a practical management maneuver, strategic plans should be evaluated on an annual basis for progress toward accomplishment of goals and objectives. This annual assessment 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 an entire strategic plan annually. Barring an extraordinary internal or external change, major review, revision, and update should not be needed before the mandatory review and update.

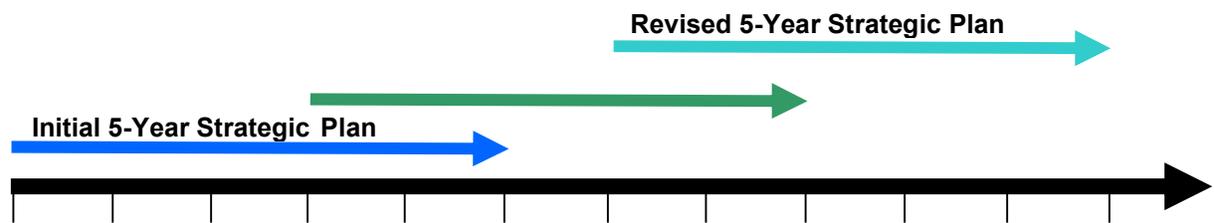
### PLANNING



### POINTER

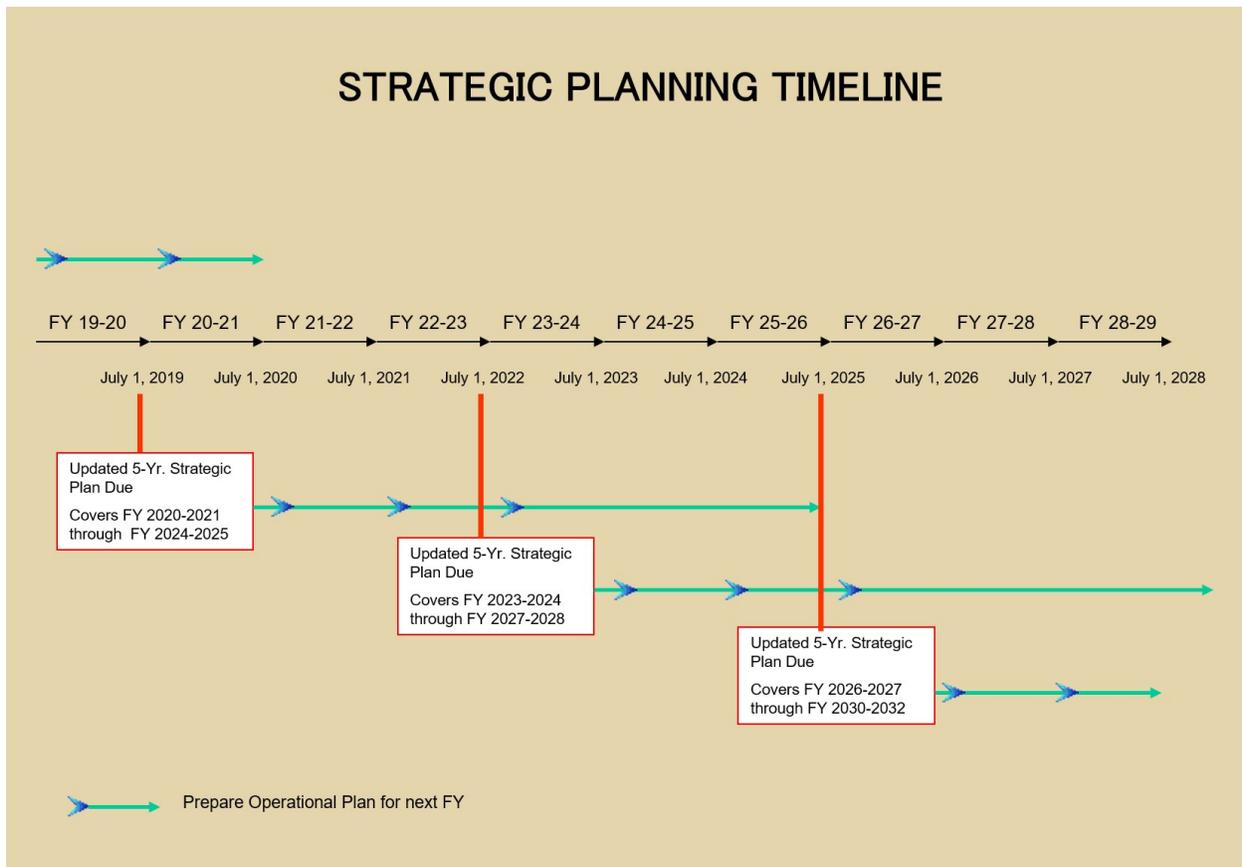
Avoid planning overkill. This leads to analysis paralysis. Annual reviews are important to assess progress. However, the plan should work for you—NOT you for the plan. At some point, you have to stop planning and start doing. If you are spending all your time on planning, then something is wrong.

The plan remains a five-year plan but the update moves the plan three years into the future.



## Time Span of the Strategic Plan

The span of each strategic plan revision—beginning and ending dates—is announced by the Division of Administration, Office of Planning and Budget (OPB). The Strategic Planning Timeline shown below may help you gain a clearer understanding of the periods covered by five-year strategic plans (with required updates every three years) and how they progress operationally.



## Components of the Strategic Plan

Specific requirements for strategic plan components are set forth in statute. These statutory requirements and the components of the strategic plan are described in the strategic planning links on the OPB website:

- Strategic Planning: <https://www.doa.la.gov/doa/opb/performance/strategic-planning/>
- Manageware: <https://www.doa.la.gov/doa/opb/performance/manageware/>.

Strategic plans must be formulated and submitted according to statutory requirements and guidelines established by the OPB.

Post-secondary educational institutions are subject to additional process guidelines and timelines established by system governing boards and the Board of Regents for Higher Education.

## Format of the Strategic Plan

There are various options available for organization and presentation of department/agency strategic plans. The plan must, of course, fulfill statutory

requirements, but should also fit the needs and organizational structure of the department or agency. See Manageware:

[https://www.doa.la.gov/media/sktdfuc0/mw\\_strategic-planninga.pdf](https://www.doa.la.gov/media/sktdfuc0/mw_strategic-planninga.pdf) - for information on the organization and format of a strategic plan.

## Submission of the Strategic Plan

By statute, 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 your department/agency. As a practical matter, your plans should be provided to other entities that have responsibility for review and evaluation of performance information: House Fiscal Division, Senate Fiscal Section, Legislative Fiscal Office, and Office of the Legislative Auditor. Further, strategic plans are public documents. To facilitate submission of agency strategic plans and make these public documents more readily accessible to stakeholders and the public, the **guidelines for agency submission require website publication of strategic plans and strategic planning process documentation.**

**To submit your revised strategic plan, post your strategic plan (along with your process documentation) on your department/agency website by the deadline established by OPB, which is typically July 1 in the year that the plan is due.** Provide electronic notification of the availability and web address of your plan to the OPB and the other entities identified above. Send e-mail notices to the OPB analyst, OPB budget manager, and legislative committee staff members who are assigned to work with your agency; also send an electronic notice to the director of the Performance Audit Division of the Office of the Legislative Auditor. If you do not know who to contact or do not have e-mail addresses for these individuals, consult the OPB website (<https://www.doa.la.gov/Pages/opb/Index.aspx>), the Louisiana Legislature's website (<http://www.legis.la.gov/legis/home.aspx>) and the website for the Office of the Legislative Auditor (<https://www.lla.la.gov/>) or contact these offices directly for information.



Some state departments or agencies contract with consultants for assistance in strategic planning. It is critical that such consultants be familiar with and use the state's strategic planning terminology and process. If some other process is used, the resulting strategic plan may not meet statutory requirements or Division of Administration guidelines. In such a case, the strategic plan would be unacceptable and have to be redone. This results in needless frustration and waste of time, energy, and money.

## How to Revise and Update the Strategic 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. Annual progress evaluation allows executives, managers, and staff to identify what is changing

internally and externally as well as what parts of the plan are working or not working. The organization is then poised to update the strategic plan.

**IF** review and evaluation show that:

- There are no major changes in 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 organization reaffirms goals, objectives, and strategies—adjusting, as appropriate, to continue or “grow” progress and accomplishments—and moves the plan ahead.

However, **IF** evaluation shows that:

- There are significant changes in internal capacity or external operating environment;
- Strategies and action plans are not proceeding on schedule or working as expected;
- Progress toward goals and objectives is not being made as expected;
- Anticipated results are not being achieved;
- Unexpected or undesirable consequences are being generated; or
- Current goals and objectives are inadequate or unrealistic,

**THEN** the organization modifies the plan as needed and moves the plan ahead.

***Factors likely to drive revision include:***

- Significant changes in funding levels in either operating or capital outlay budget;
- Department or agency reorganization;
- Changes in program structure or mandated functions;
- Louisiana Workforce Commission coordination of statewide workforce development activities;
- Children’s Cabinet initiative to coordinate activities and services related to families and children;
- Department of State Civil Service workforce planning initiatives;
- Office of Technology Services standards and strategic planning initiatives;
- Hurricane preparedness and recovery initiatives;
- Other statewide initiatives;
- Changes in the master plan for higher education;
- Changes in leadership, including gubernatorial or other statewide elections and term limit impacts in legislature;
- Review of initial strategic plan by OPB and standing committees of legislature;
- Audit findings and recommendations;
- Input from other entities, such as federal government or courts and stakeholders (constituent, customer, expectation, or special interest groups);
- Knowledge and experience gained from living with the plan and reporting progress regularly;

- Statewide or regional disasters (natural or manmade); and/or
- Unanticipated, or over- or underestimated external factors.

<b>PLANNING</b>	Strategic plan review may be conducted in conjunction with required year-end performance progress reports that compare actual performance with annual performance standards. Certainly strategic plan review should take the results of performance progress reports into account.
	
<b>POINTER</b>	In addition, strategic plan progress is a major part of the annual undersecretary management and program analysis report (Act 160 report) due each year.
	(See the OPB website on performance accountability - <a href="https://www.doa.la.gov/media/vkzhacu5/mw_accountability.pdf">https://www.doa.la.gov/media/vkzhacu5/mw_accountability.pdf</a> - for information on performance progress reports and annual undersecretary management and program analysis reports.)

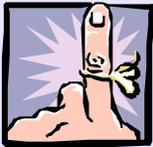
## Questions to Ask when Revising and Updating the Strategic Plan

To review, revise, and update a strategic plan, take a look at each of the plan components and determine whether each is still valid. Since the strategic plan was developed or last revised:

- Have there been any significant changes in the organization's internal capacity? For example:
  - Has the organization's mission changed? Have goals changed?
  - Has the organization (department, agency, or program) been assigned or undertaken any new responsibilities? If so, what are they and how will they affect mission and goals?
  - Have budget or position allocations changed significantly?
  - Has the organization undergone reorganization?
  - Have administrative procedures or guidelines been revised significantly?
  - Has the organization received significant or repeated audit findings?
- Have there been major changes in the organization's external operating environment? For example:
  - Have new mandates been placed on the agency by federal or state government?
  - Have major new public issues surfaced that are related to the organization?
  - Have there been economic, demographic, political, environmental, or societal shifts that will affect the organization and its mission?
  - Have statewide policy and strategic planning entities established goals, objectives, or strategies that must be incorporated into the organization's strategic plan?
  - Has the organization's enabling legislation or other authorization been changed? If so, what changed and how will those changes affect mission and goals?

- Has the organization (department, agency, or program) been assigned or undertaken any new responsibilities? If so, what are they and how will they affect mission and goals?
- Are objectives, strategies, and action plans on schedule and fulfilling expectations?
  - If so, how can the organization build on this progress?
  - If more progress than expected has been made, should objectives be set higher?
  - If less progress than expected has been made, should objectives be lowered or extended in time? Should strategies be revised, overhauled, or thrown out entirely? Are other changes required to allow the organization to make progress?
- Are performance indicators capturing the information necessary to chart progress and support management decision-making? Does each activity include at least one outcome-based performance indicator? If not, what changes are needed?

As the plan is reviewed, some departments, agencies, and programs may find that few modifications are necessary. However, others may be required to make extensive revisions, particularly in response to changing operating environments and/or statewide strategic planning initiatives that must be echoed in their own strategic plans.



**REMEMBER:** The plan is not the end of the strategic planning process. The planning process is continuous. All of the information gathered during the accountability process should be analyzed for inclusion in the next strategic plan update.

Analyzing progress may be the “end” of one cycle, but the information gleaned from that analysis is the starting point for the next planning cycle.

## Performance Indicators

Performance Indicator Documentation sheets are required for every performance indicator in the strategic plan. Documentation sheets are reviewed closely to determine the rationale, relevance, and reliability of performance indicators, as well as the accuracy, maintenance, and support of reported data.

Over the years, there have been many questions about the number, type, and level of performance indicators that should be developed and reported. Further, there has been some confusion about changing or modifying performance indicators during the lifetime of a strategic plan. The following pointers may help clarify these issues:

- Develop balanced sets of performance indicators to measure the progress of your strategic plan. Select as many indicators of input, output, outcome, efficiency, and quality as needed to tell a complete performance story; but, you must have at least one outcome-based indicator for each program activity. Use the performance indicator matrix at the end of these guidelines as a tool to develop balanced sets of indicators.
- Use explanatory notes to put indicators in context, show the interaction of indicators, and explain performance variables, such as target group characteristics, internal capacities, and external factors.
- Identify the management and decision level(s) at which indicators will be reported and used. As a general rule, all indicators should support internal management, but not all indicators need to appear for outcome-based budgeting. Think about how those indicators you designate for outcome-based budgeting will be reported operationally. Be prepared to provide additional detailed performance data from your management-level indicators when necessary to clarify or explain performance issues.
- For performance indicators that will appear for performance-based budget decision making, think about the level (key, supporting, or general performance information indicator) at which those indicators will be used for operational planning and performance progress reporting.
- Be prepared to use and report indicators under the same name, same definition, and same method of calculation for the lifetime of the plan. Continuity and consistency are vital performance indicator characteristics. Select the best possible sets of balanced indicators now in order to avoid indicator shifting during the operational cycles guided by your strategic plan.
- Chances are that many of your present performance indicators will be retained in your new strategic plan. Strategic plans are mission-driven as well as results-oriented. You may alter the amount or degree of outputs, outcomes, efficiencies, and quality that you want to achieve as part of your mission; you may overhaul the strategies through which you carry out your mission and accomplish your goals and

objectives. However, if your department and program missions remain essentially the same, then most of your core indicators should continue to be of value.

- If your plan calls for significant changes in the kinds of outcomes to be achieved and the ways in which you will go about achieving them, then it may be necessary to capture some new performance data. If you identify and select new performance indicators in your strategic planning process, gather sufficient baseline information to set reasonable objectives and immediately organize your internal data collection/accountability system to support operational planning and performance reporting.
- Most of the performance indicators in use now are “consensus” indicators; that is, they have been developed with input from agencies, the OPB, and legislative staff to reflect the identified needs and preferences of policy and budget decision makers. So, be prepared to discuss indicator changes with end users (such as the OPB and legislative staff) in order to ease the reporting transition operationally. This may mean maintaining and reporting some older indicators as general performance information or even supporting indicators until an appropriate comfort level with new indicators is attained.
- Because consistency in performance reporting enables program managers and budget decision makers to track performance over time and develop an understanding of business cycles, performance track record, and the interplay of external factors, OPB and legislative staff monitor movement of key and supporting indicators to general performance information closely. Such shifts must make sense and be justified.
- There are many external factors over which you have limited control; even if you can't control a factor that affects your operations, you must get a handle on it. That is, you must understand how and why it affects your operations; you must track it; and you must anticipate its future impacts. The argument that a factor is uncontrollable does not preclude the tracking and reporting of indicators related to that factor. However, it may modify the level at which those indicators are reported.

**PLANNING****POINTER**

**Changes to performance indicators during the lifetime of a strategic plan may be made only for compelling reasons and must be discussed beforehand with OPB and legislative staff.**

Nonetheless, it is recognized that a few indicators (those associated with a short-term outcome or strategy that begins and ends sometime within the lifetime of the plan) may not last the entire lifetime of the strategic plan.

The “80/20 rule” will typically apply. That is, 80% of indicators will be ongoing measures of core program activities and outcomes; 20% of indicators will reflect one-time, intermediate, or limited-term improvements or accomplishments that pass into and out of the plan.

## Recommendations for Plan Improvement

A major strategic plan revision offers you the opportunity to refresh, upgrade, and improve your plan. Unless your department and component program missions have changed drastically, it is likely that you will continue to provide many of the same core services to the same customers as in your current strategic plan. Specific recommendations for plan improvement are:

### 1. Use Available Resources

Familiarize yourself with and use all of the strategic planning guidelines and resource materials available on the OPB Website – Performance Section: <https://www.doa.la.gov/doa/opb/performance/>.

### 2. Seek OPB and Legislative Input

Consult with the people who will ultimately use your performance information to make policy or budget decisions. Obviously you know your program processes and operations best, but decision makers know what information they need to make decisions. The selection of a final set of performance indicators must include input from both agencies and decision makers. Therefore, it is recommended that you invite OPB and legislative staffs for input on significant changes to the agency's performance structure or when strategic planning sessions are taking place.

### 3. Recognize that Strategic Planning is Not Operational Planning

Although your strategic plan drives annual operational plans, your strategic plan is not just a five-year operational plan. It focuses on a “to be” state; it embodies leadership vision and initiative; it articulates policy and program decisions that drive individual operational plans. Do not base your strategic plan on the expectation of replaying your current operational plan for five years. Instead, make a realistic determination of where your organization wants to be in five years and then look at how you can get there operationally.

### 4. Analyze Existing Data

Base your plan on data and analysis. Assess the efficiency and effectiveness of your processes. Analyze and evaluate your performance track record, using the Louisiana Performance Accountability System (LaPAS) as a tool. Measure your internal processes; quantify “before” and “after” stages; and determine turnaround times as well as cost per service unit. Identify issues or problems, using annual management analysis reports (“Act 160” reports) compiled by your department undersecretary as one source.

### 5. Benchmark Best Practices

Include external comparisons in your planning process. A frequent question asked by

policy and budget decision-makers is: “How does Louisiana compare to the nation or other southern states?” Benchmark for best management practices and best measurement practices.

## **6. Document the Planning Process and Save the Records**

During previous rounds of strategic planning, some departments/agencies neglected to complete process documentation materials. Please be aware that compliance is required by statute and is subject to audit. Further, compliance with statutory processes and requirements constitutes a basis for eligibility for performance-based rewards and penalties. Use the Strategic Planning Checklist and Performance Indicator Documentation sheets on the following pages to document the planning process.

All documents used in the development of the strategic plan as well as the data used for the completion of quarterly performance progress reports in LaPAS must be maintained according to the records retention laws applicable to each agency. Each strategic plan must include a statement regarding the maintenance of agency records and actual monitoring and evaluation processes. You may also wish to attach the agency’s records retention policy to the strategic plan.

**Updated March 2022**

## STRATEGIC PLANNING CHECKLIST



**Planning Process**

- General description of process implementation included in plan process documentation
- Consultant used
- If so, identify: \_\_\_\_\_
- Department/agency explanation of how duplication of program operations will be avoided included in plan process documentation
- Incorporated statewide strategic initiatives
- Incorporated organization internal workforce plans and information technology plans

**Analysis Tools Used**

- SWOT analysis
- Cost/benefit analysis
- Financial audit(s)
- Performance audit(s)
- Program evaluation(s)
- Benchmarking for best management practices
- Benchmarking for best measurement practices
- Stakeholder or customer surveys
- Undersecretary management report (Act 160 Report) used
- Other analysis or evaluation tools used
- If so, identify: \_\_\_\_\_

Attach analysis projects, reports, studies, evaluations, and other analysis tools.

**Stakeholders (Customers, Compliers, Expectation Groups, Others) identified**

- Involved in planning process
- Discussion of stakeholders included in plan process documentation

**Authorization for goals**

- Authorization exists
- Authorization needed
- Authorization included in plan process documentation

**External Operating Environment**

- Factors identified and assessed
- Description of how external factors may affect plan included in plan process documentation

**Formulation of Objectives**

- Variables (target group; program & policy variables; and external variables) assessed
- Objectives are SMART

**Building Strategies**

- Organizational capacity analyzed
- Needed organizational structural or procedural changes identified
- Resource needs identified
- Strategies developed to implement needed changes or address resource needs
- Action plans developed; timelines confirmed; and responsibilities assigned

**Building in Accountability**

- Balanced sets of performance indicators developed for each objective
- Documentation Sheets completed for each performance indicator
- Internal accountability process or system implemented to measure progress
- Data preservation and maintenance plan developed and implemented

**Fiscal Impact of Plan**

- Impact on operating budget
- Impact on capital outlay budget
- Means of finance identified for budget change
- Return on investment determined to be favorable

PERFORMANCE INDICATOR MATRIX						
Program Goal:		Date:				
Program Activity:						
	INPUT	OUTPUT	OUTCOME	EFFICIENCY	QUALITY	
Objective 1:						
Objective 2:						
Objective 3:						

## PERFORMANCE INDICATOR DOCUMENTATION



**Program:**

**Activity:**

**Objective:**

**Indicator Name:**

**Indicator LaPAS PI Code:** (Cite LaPAS PI Codes for indicators that have been reported in LaPAS at any time past or present; indicate "New" for indicators that have never been reported in LaPAS.)

**For each performance indicator in the strategic plan, address the following:**

1. **Type and Level:** What is the type of the indicator? (Input? Output? Outcome? Efficiency? Quality? More than one type?) What is the level at which the indicator will be reported? (Key? Supporting? General performance information?)
2. **Rationale, Relevance, Reliability:** Why was this indicator chosen? How is it a relevant and meaningful measure of performance for this objective? Is the performance measure reliable? How does it tell your performance story?
3. **Use:** How will the indicator be used in management decision making and other agency processes? Will the indicator be used only for internal management purposes or will it also surface for outcome-based budgeting purposes?
4. **Clarity:** Does the indicator name clearly identify what is being measured? Does the indicator name contain jargon, technical terms, acronyms or initializations, or unclear language? If so, clarify or define them.
5. **Data Source, Collection and Reporting:** What is the source of data for the indicator? (Examples: internal log or database; external database or publication.) What is the frequency and timing of collection and reporting? (Monthly, quarterly, semi-annual, or annual, basis? How "old" is it when reported? Is it reported on a state fiscal year, federal fiscal year, calendar year, school year, or other basis? Is frequency and timing of collection and reporting consistent?)
6. **Calculation Methodology:** How is the indicator calculated? Is this a standard calculation? (For example, highway death rate is the number of highway fatalities per 100,000,000 miles driven. This rate is a standard calculation used by the National Highway Traffic Safety Administration.) Provide the formula or method used to calculate the indicator. If a nonstandard method is used, explain why. If this indicator is used by more than one agency or program, is the method of calculation consistent? If not, why not?
7. **Scope:** Is the indicator aggregated or disaggregated? (Is it a sum of smaller parts or is it a part of a larger whole? Examples: If the indicator is a statewide figure, can it be broken down into region or parish? If the indicator represents one client group served by a program, can it be combined with indicators for other client groups in order to measure the total client population?)
8. **Caveats:** Does the indicator have limitations or weaknesses (e.g., limited geographical coverage, lack of precision or timeliness, or high cost to collect or analyze)? Is the indicator a proxy or surrogate? Does the source of the data have a bias? Is there a caveat or qualifier about which data users and evaluators should be aware? If so, explain.
9. **Accuracy, Maintenance, Support:** Have the indicator and subsequent performance data been audited by the Office of the Legislative Auditor? If so, what was the result? If not, what evidence is available to support the accuracy of the data? How will the reported data be maintained to ensure that it is verifiable in the future?
10. **Responsible Person:** Who is responsible for data collection, analysis, and quality? How can that person or organization be contacted? Provide name, title, and all contact information (including telephone, fax, and e-mail address).

**(Use as many pages as necessary to fully respond to these documentation items. Be sure that each sheet carries the name and, for existing performance indicators, the LaPAS PI Code. )**