

Strategic and Business Planning Guide

Guide, approach and templates to help government and not-for-profit organizations do strategic planning.

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I Introduction

A. Planning objectives

Planning is different in government and not-for-profit organizations from the private sector. This guide presents an approach and methodology to help government and not-for-profit organizations do strategic planning. Kelly Sears has used this planning approach in many organizations.

The objectives of strategic and business planning are:

- Update external trends and changes in the external environment and assess the implications for your organization
- Review stakeholder expectations and whether your current services and priorities are aligned with these expectations
- Assess strengths, weaknesses and key challenges in the way ahead
- Review the status of current priorities and projects
- Update the milestones for the next three years
- Identify/update strategic priorities and projects
- Confirm accountabilities for leading and delivering the projects
- Prepare detailed implementation plans.

B. Guiding principles

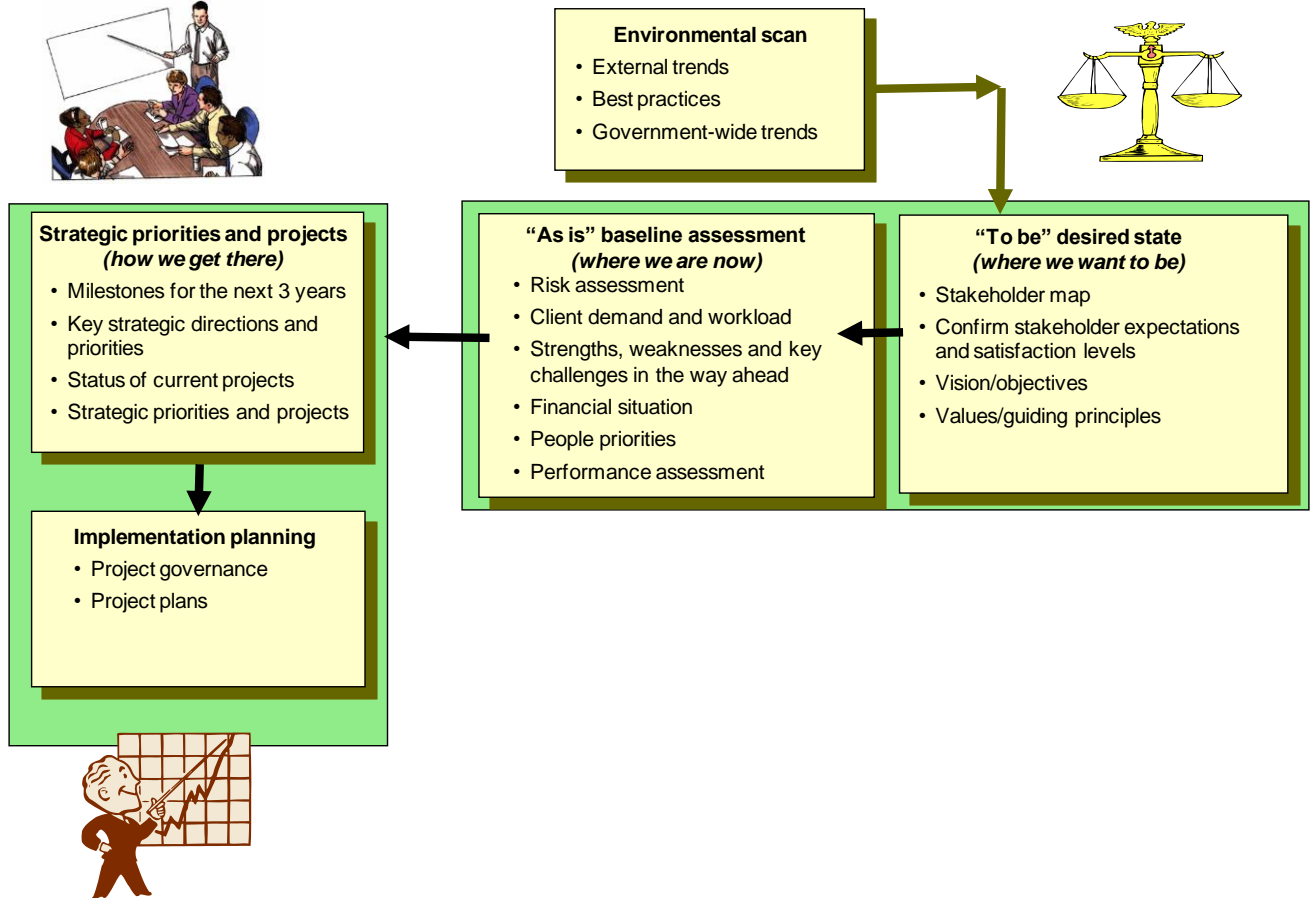
The planning approach presented in this guide makes some key assumptions:

- The strategic priorities and projects focus on horizontal change projects that are strategic and long term in nature and affect the organization as a whole.
- Planning for ongoing activities focuses on the capacity of the organization to meet stakeholder expectations, demand/workload forecasts, service standards, and performance targets.
- The plan is updated on an ongoing basis without having to start over each year, unless the time is opportune for a more “greenfield” approach.

C. Approach

We present below an approach for conducting strategic and business planning. This approach would need to be customized to the specific context of your organization and build upon the results of previous strategic planning sessions/ retreats as well as existing planning documents and tools. The overall approach is summarized below.

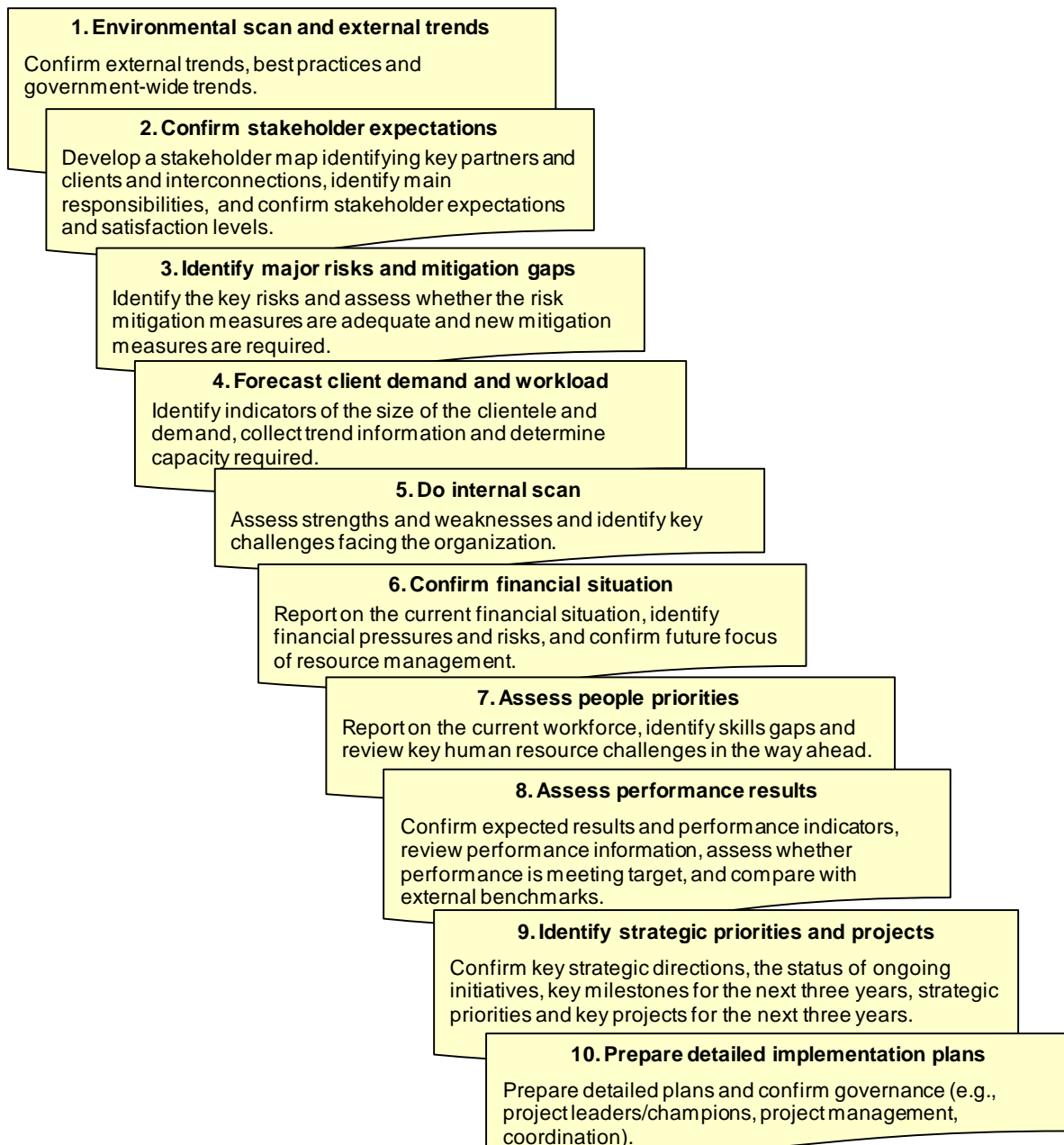
Planning approach



D. Planning elements/steps

The key planning elements or steps are shown below. Not all elements need to be addressed, or some elements can be addressed in less detail than others. The information around each element is typically collected from existing documentation or data banks within the organization as well as interviews or workshops with managers. Depending on the size of the organization, the planning steps can be addressed through a 1-2 day planning session. The dialogue around each element is of course most critical.

Strategic/business planning elements



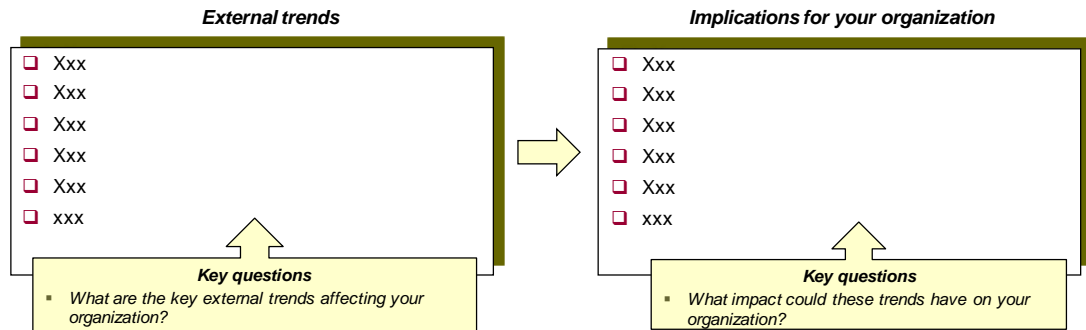
II Key Planning Elements

Step 1—Environmental scan

Identify external trends and best practices in organizations similar to yours, government-wide trends that could have an impact on your organization, and assess the implications for your organization.

1.1 Identify external trends

Identify external trends and discuss the implications and potential long term impact on your organization and the activities that you carry out.



1.2 Identify best practices

Identify best practices or service innovations have become more prevalent in other organizations similar to yours; assess the extent to which these best practices have been introduced in your organization, and whether your organization is keeping up with new trends and best practices.

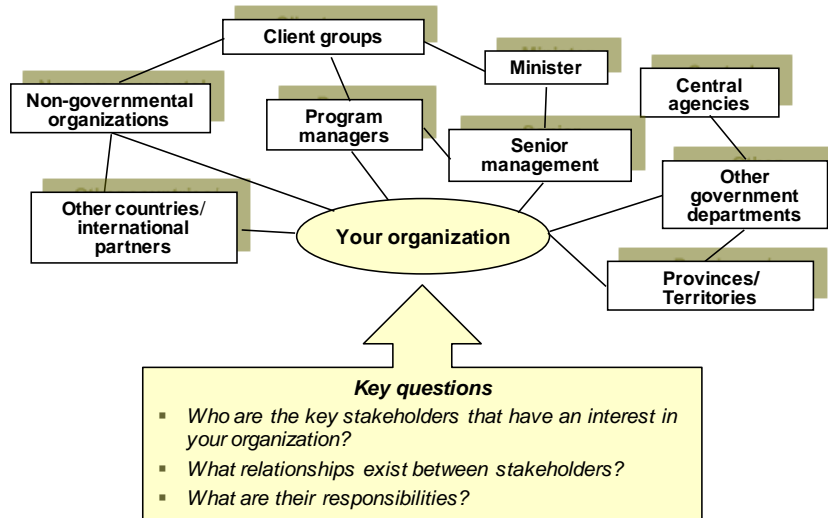
Activity/ Element	Examples of Best Practices	Extent of implementation
		<p>Key questions</p> <ul style="list-style-type: none"> ▪ What best practices or service innovations have become more prevalent in organizations similar to yours? ▪ Have these best practices been introduced in your organization? ▪ Is your organization keeping up with these new trends and best practices?

Step 2—Review stakeholder expectations

Identify who the key stakeholders are, their expectations of your organization, shifts in their expectations, stakeholder satisfaction levels, and issues and gaps in meeting stakeholder expectations.

2.1 Prepare/update stakeholder map

Identify the key stakeholders that have an interest in your organization and the relationships that exist between stakeholders, and summarize the main responsibilities of the stakeholders.



2.2 Review stakeholder expectations and satisfaction levels

Confirm stakeholder expectations and overall satisfaction levels, and identify changes in stakeholder expectations and any service gaps or issues that may exist.

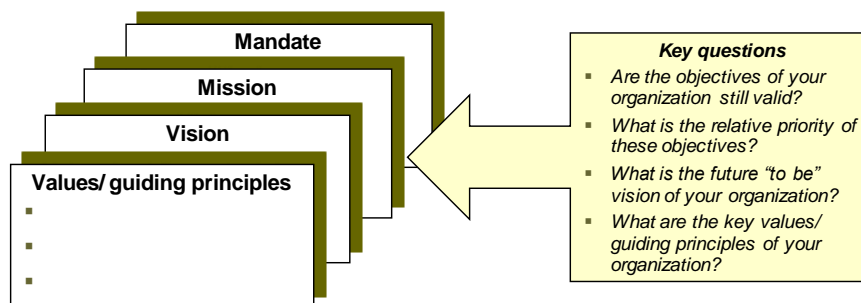
Stakeholders	Expectations	Level of satisfaction (high, med, low)	Issues/Gaps
Client groups	<ul style="list-style-type: none"> Responsive service Information on services Follow-up 		
Non-governmental organizations	<ul style="list-style-type: none"> Consultation Policy input Information on program changes 		
Minister	<ul style="list-style-type: none"> Sound policy advice and expertise Briefings on emerging issues Support with special events 		
Senior management	<ul style="list-style-type: none"> Strategic policy leadership (e.g., identify priorities, establish policy agenda) Awareness of emerging issues Status of projects/ initiatives 		
Program managers	<ul style="list-style-type: none"> Policy advice and expertise Support vis-à-vis their programs 		
Other government departments	<ul style="list-style-type: none"> Information on policy/ program changes Opportunities to participate and collaborate in initiatives 		
Central agencies	<ul style="list-style-type: none"> Alignment with government-wide priorities Ongoing and timely advice and expertise 		
Provincial and territorial governments	<ul style="list-style-type: none"> Consultation Policy input Opportunities to participate in initiatives 		
Other countries and international partners	<ul style="list-style-type: none"> Exchange of information Opportunities to collaborate Local contacts 		

Key questions

- What are stakeholders expectations?
- Do stakeholders and/or clients have any major issues or concerns? What is the source of this feedback?
- Are service standards/ expectations being met?
- What is the overall satisfaction level?
- Are clients or stakeholders proposing different delivery models?

2.3 Update “to be” vision, objectives, values, guiding principles

If need be, review the mandate of the organization in relation to the department’s strategic plan, stakeholder expectations, major risks and strategic priorities. Describe the ideal future “to be” state of your organization. Confirm the objectives of our organization and whether these are still aligned with departmental priorities. Confirm overall values and guiding principles governing program/service delivery.



Key questions

- Are the objectives of your organization still valid?
- What is the relative priority of these objectives?
- What is the future “to be” vision of your organization?
- What are the key values/ guiding principles of your organization?

Step 3—Identify major risks and mitigation gaps

Prepare an enterprise risk profile that identifies potential risks faced by your organization. These risks can be external (e.g., cyber security) or internal (e.g., availability of specialized expertise). For each risk, identify the likelihood of the risk occurring (on a scale of significant, moderate, low); the impact of the risk (on a scale of high, medium, low); whether the level of risk is increasing, decreasing or stable; mitigation measures that are currently in place or that should be put in place; and the level of priority of the risk (depending on the mitigation gaps or “residual risk”).

Risk	Impact (hi, med, low)	Likelihood (hi, med, low)	Trend (increasing, decreasing, stable)	Mitigation measures (and gaps)	Priority (hi, med, low)
xxx xxx					
xxx xxx					
xxx xxx					
xxx xxx					
xxx xxx					

Key questions

- What are the key risks that your organization is striving to address, or facing your organization?
- Are risk mitigation measures in place adequate? What are the main gaps?
- Are resources sufficient to address the mitigation gaps?

Step 4—Forecast client demand and workload

Identify the key client groups and the level of demand for services provided by your organization, the trend in demand (over the last 5 years or more), and the key workload drivers that influence demand. Confirm expected workload during the next three years for key workload indicators. Determine implications regarding the capacity required to meet demand/workload.

4.1 Confirm trend in demand

Identify key workload drivers, indicators of demand and trends in the level of demand over the last five to ten years.

Indicators of scope of demand	Current Year (1)	Year 2	Year 3	Year 4	Year 5	Baseline forecast	Trend (Increasing, Decreasing, Stable)
xxx							
xxx							
xxx							
xxx							
xxx							
xxx							

Key questions

- What is the overall level of demand? What is the trend (stable, decreasing, increasing)?
- Are resources aligned with the clientele supported and level of demand?
- What are the key workload drivers?

4.2 Confirm workload levels and forecasts

Confirm historic workload trends and forecasts by key outputs.

Activity	Workload indicators	Current Year (1)	Year 2	Year 3	Year 4	Year 5	Baseline forecast
xxx	xxx						
	xxx						
	xxx						
xxx	xxx						
	xxx						
xxx	xxx						

Key questions

- Is the workload increasing, decreasing or stable?
- What is the projected workload in the way ahead?
- How much does this workload fluctuate during the year, or from year to year?

Step 5—Do internal scan

Identify strengths and weaknesses of your organization, key challenges and pressures, and issues that need to be addressed. This is often done through a brainstorming session, and/or based on feedback collected through interviews or workshops.

What were the overall strengths during the last year – what went really well?

- Xxx
- Xxx
- Xxx
- xxx

What were the overall weaknesses during the last year – which areas require improvement? What are the gaps?

- Xxx
- Xxx
- Xxx
- Xxx

What are the key challenges and pressures in the way ahead?

- Xxx
- Xxx
- Xxx
- Xxx

Step 6—Confirm financial situation

Summarize the current financial situation of the organization (e.g., yearly trend in expenditures, spending versus budget, lapsing of funds, major cost items, mix between salaries and operating costs). Identify financial pressures and risks, and confirm the future focus of resource management.

What are the highlights of the financial status of your organization?

- Xxx
- Xxx
- Xxx

What financial pressures and risks is your organization facing?

- Xxx
- Xxx
- Xxx

What can be expected in the way ahead?

- Xxx
- Xxx
- Xxx

Step 7—Assess people priorities

Provide highlights of the current workforce (sometimes done through a human resources report), assess the current situation against key workplace health indicators, identify skills gaps and key human resource challenges and priorities in the way ahead.

7.1 People/workplace health indicators

Confirm key indicators that should be used to measure workplace health (e.g., employee satisfaction), confirm results and major trends, and assess opportunities.

Performance Indicators	Target	Performance Assessment (major gap, below target, approaching target, meets target, above target)
Employee satisfaction (as per Employee Survey)	___%	
Employee turnover rate	Less than ___%	
Average number of days of sick leave per employee per year	Average of the public service (___ days, including long term)	
Number of formal complaints/grievances	—	
Number of overtime hours as a percentage of total working hours	—	
Achievement of training plans	___%	

7.2 Identify key human resource challenges, skills and competencies required, and priorities in the way ahead

Identify people challenges and risks; the skills and competencies required in the future and gaps or issues that may exist in terms of competencies at the organizational level; and the human resource priorities for the future. Identify risks that may exist in succession planning, including vulnerable positions.

Key human resources challenges	<input type="checkbox"/> Xxx <input type="checkbox"/> Xxx <input type="checkbox"/> Xxx <input type="checkbox"/> Xxx
Skills and competencies required in the way ahead	<input type="checkbox"/> Xxx <input type="checkbox"/> Xxx <input type="checkbox"/> Xxx <input type="checkbox"/> Xxx
HR priorities during the next year	<input type="checkbox"/> Xxx <input type="checkbox"/> Xxx <input type="checkbox"/> Xxx <input type="checkbox"/> Xxx

Key questions

- Are there gaps in the skills and competencies required by your organization in the way ahead?
- Is the mix of skills staff and expertise appropriate?
- How many vacancies are there? Has staff retention been an issue?
- What should be the focus of human resource development in the way ahead?

7.3 Confirm key competencies required

Confirm key competencies required at the position level, and gaps that exist.

Activities	Typical Job Positions	Key Competencies	Gaps
Xxx	<ul style="list-style-type: none"> Xxx 	<ul style="list-style-type: none"> Xxx Xxx Xxx 	<p>Key questions</p> <ul style="list-style-type: none"> What are the key position types and competency/ skill requirements for the major activities? Are classification levels at an appropriate level? Are they comparable with those in other departments/ agencies? Do current competencies meet the required standard?
	<ul style="list-style-type: none"> Xxx 	<ul style="list-style-type: none"> Xxx Xxx Xxx 	
Xxx	<ul style="list-style-type: none"> Xxx 	<ul style="list-style-type: none"> Xxx Xxx Xxx 	
	<ul style="list-style-type: none"> Xxx 	<ul style="list-style-type: none"> Xxx Xxx Xxx 	
Xxx	<ul style="list-style-type: none"> Xxx 	<ul style="list-style-type: none"> Xxx Xxx Xxx 	

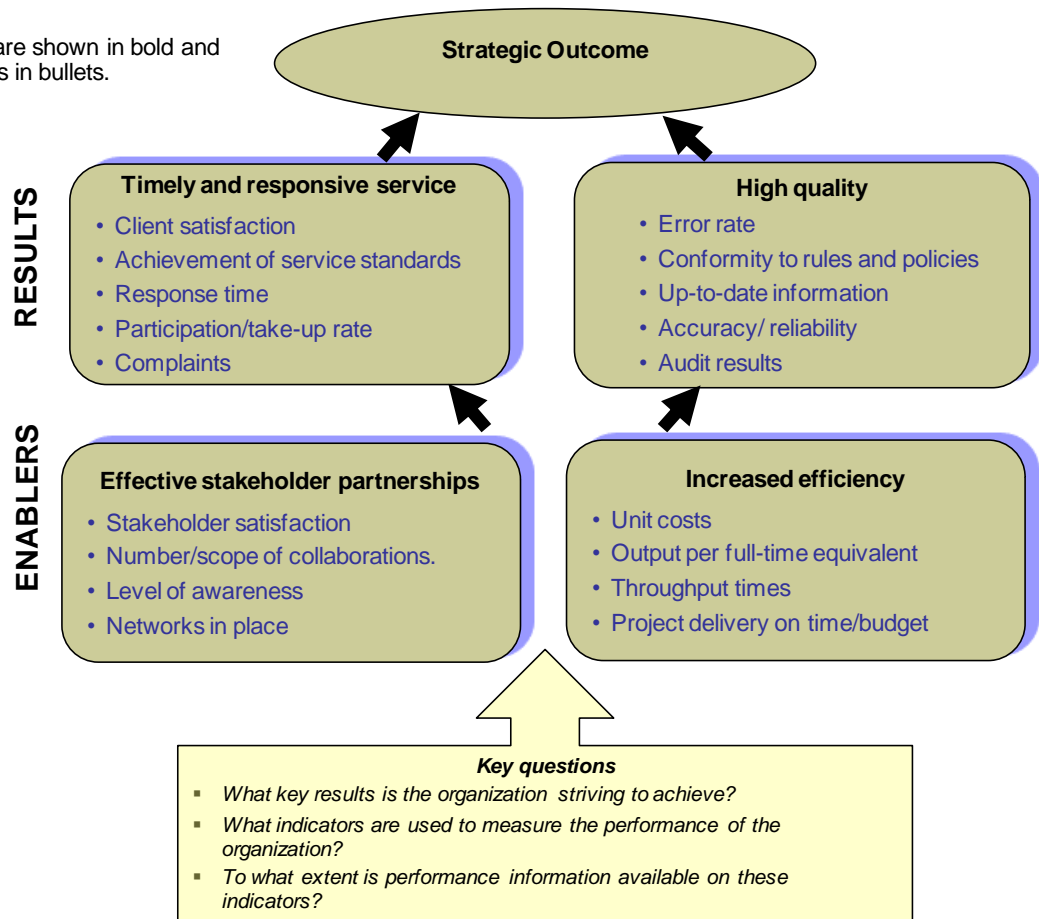
Step 8—Assess performance results

Review the performance measurement framework, including expected results and outcomes; the key performance indicators (KPIs) and service standards used to measure success; the targets for each indicator; and results achieved. Ensure that the targets are realistic and achievable; summarize current performance results against these targets, using quantitative or qualitative information that is available; confirm opportunities/gaps identified by the assessment of performance results; and identify any data collection gaps to be addressed.

8.1 Confirm performance measurement framework and indicators

Review expected results and performance indicators. Ensure the performance measurement framework is aligned with logic model (if one exists).

Results are shown in bold and indicators in bullets.



8.2 Review performance results

Collect performance information for each indicator, ideally on a trend basis (5 years) for quantitative performance indicators. Assess whether performance for each indicator is meeting target or not, and compare with external benchmarks where information is available. Identify those indicators where the performance results are below target and changes/improvements are required. Performance targets may need to be reviewed depending on the assessment.

Results	Performance Indicators	Targets	Actual Results (major gap, below target, approaching target, meets target, above target)
Timely and responsive service	Client satisfaction. Based on client satisfaction surveys, feedback received, etc.	___%	_____ <i>target.</i>
	Achievement of service standards. Monitoring vis-à-vis service standards for key services.	___%	_____ <i>target.</i>
	Participation/ take-up rate. Based on client demand for services.	___%	_____ <i>target.</i>
	Complaints. Number and type of complaints received.	—	_____ <i>target.</i>
High quality	Error rate. Based on independent monitoring, internal audits, etc.	___%	_____ <i>target.</i>
	Conformity to rules and policies. Based on audits, third party reviews, etc.	___%	_____ <i>target.</i>
	Up-to-date information. For example, information on beneficiaries, applicants, etc.	___%	_____ <i>target.</i>
	Accuracy/reliability. Based on monitoring, audits, third party reviews, etc.	___%	_____ <i>target.</i>
Effective stakeholder partnerships	Stakeholder feedback. Based on surveys, feedback received.	___%	_____ <i>target.</i>
	Number/scope of collaborations. From internal data bases.	—	_____ <i>target.</i>
	Level of awareness. Based on surveys, etc.	___%	_____ <i>target.</i>
	Networks in place.	—	_____ <i>target.</i>
Increased efficiency	Unit costs. Direct and indirect costs divided by output volume.	\$___	_____ <i>target.</i>
	Output for full-time equivalent (FTE). Number of outputs by type compared to number of FTE.	—	_____ <i>target.</i>
	Throughput times. Average time to provide services.	—	_____ <i>target.</i>
	Project delivery on time and budget. % of projects delivered as per schedule or budget.	___%	_____ <i>target.</i>

Key questions

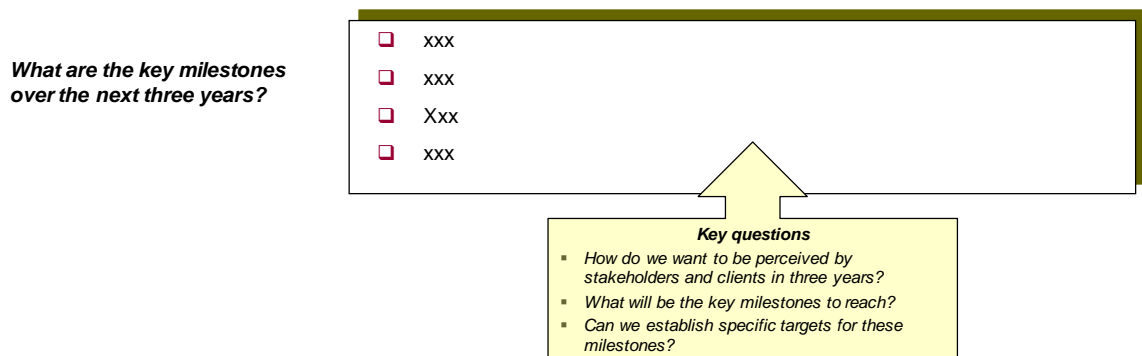
- What are the performance results for each indicator?
- Are the performance results at, above or below target?
- What are the reasons for the performance gaps where they exist?

Step 9—Identify strategic priorities and projects

Identify key milestones, validate the scope of activities carried out by the organization, identify priorities and projects in the way ahead based on the planning horizon (e.g., 3-year timeframe), and confirm the overall governance structure for project implementation.

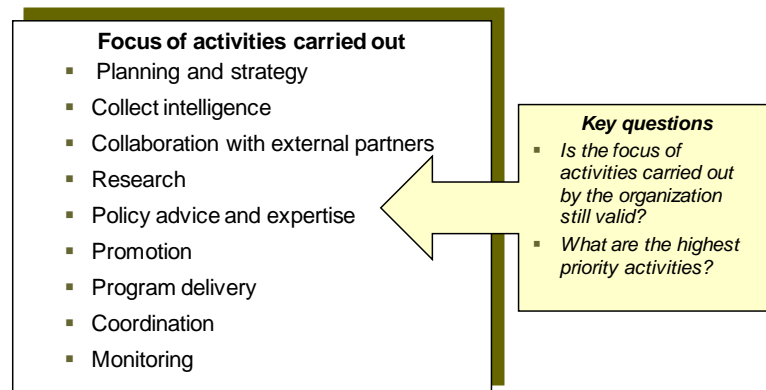
9.1 Identify milestones

Identify key milestones for the next three years, based on the “to be” state that your organization is striving for.



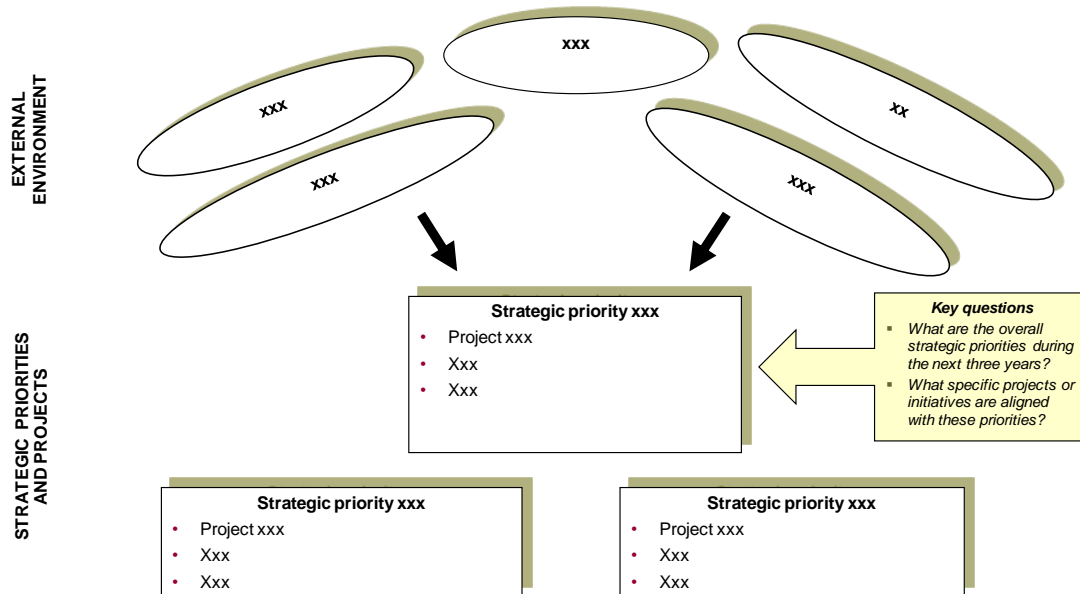
9.2 Review scope of activities carried out

Review the scope of the activities carried out and their alignment with department-wide priorities.



9.3 Identify strategic priorities and projects in the way ahead

Confirm with managers and stakeholders the strategic priorities, based on the results of the environmental scan, risk profile, performance results achieved to date, and performance gaps identified.



9.4 Review status of ongoing projects/initiatives

Prepare a high level status report on strategic projects or initiatives completed or still ongoing, and identify projects that may need to be carried forward into the next fiscal year or longer.

Strategic Priorities	Projects	Project status
xxx	xxx	<ul style="list-style-type: none"> ▪ Xxx ▪ Xxx ▪ Xxx
	xxx	<ul style="list-style-type: none"> ▪ Xxx ▪ Xxx ▪ Xxx
xxx	xxx	<ul style="list-style-type: none"> ▪ Xxx ▪ Xxx ▪ Xxx
	xxx	<ul style="list-style-type: none"> ▪ Xxx ▪ Xxx ▪ Xxx
xxx	xxx	<ul style="list-style-type: none"> ▪ Xxx ▪ Xxx ▪ Xxx
	xxx	<ul style="list-style-type: none"> ▪ Xxx ▪ Xxx ▪ Xxx

Key questions

- What projects have been completed?
- What is the status of current ongoing projects and initiatives?
- What projects are still outstanding and need to be carried forward?

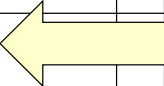
9.5 Describe scope of strategic projects

Describe projects and scope/timeframe. Typically, there will be about 6-10 projects that would need to be carried out over the next two to three years that are more long term in nature and have implications across your organization. These projects would be closely linked to the strategic priorities, and would be grouped into the overall strategic priorities where there are strong interrelationships. As a first step, confirm at a high level the objectives and scope of each project to ensure that there is a common understanding of what each project entails.

Strategic Priority	Project Objectives and Scope	Timeframe	Lead/support
	xxxxx: xxxxxxxx		
	xxxxx: xxxxxxxx		
	xxxxx: xxxxxxxx		
	xxxxx: xxxxxxxx		
	xxxxx: xxxxxxxx		
	xxxxx: xxxxxxxx		
	xxxxx: xxxxxxxx		
	xxxxx: xxxxxxxx		
	xxxxx: xxxxxxxx		

Key questions

- What is the scope of each project?
- What is the proposed timeframe?
- What governance arrangements should be in place for each project?
- Who is the lead for each project?



9.6 Confirm governance structure

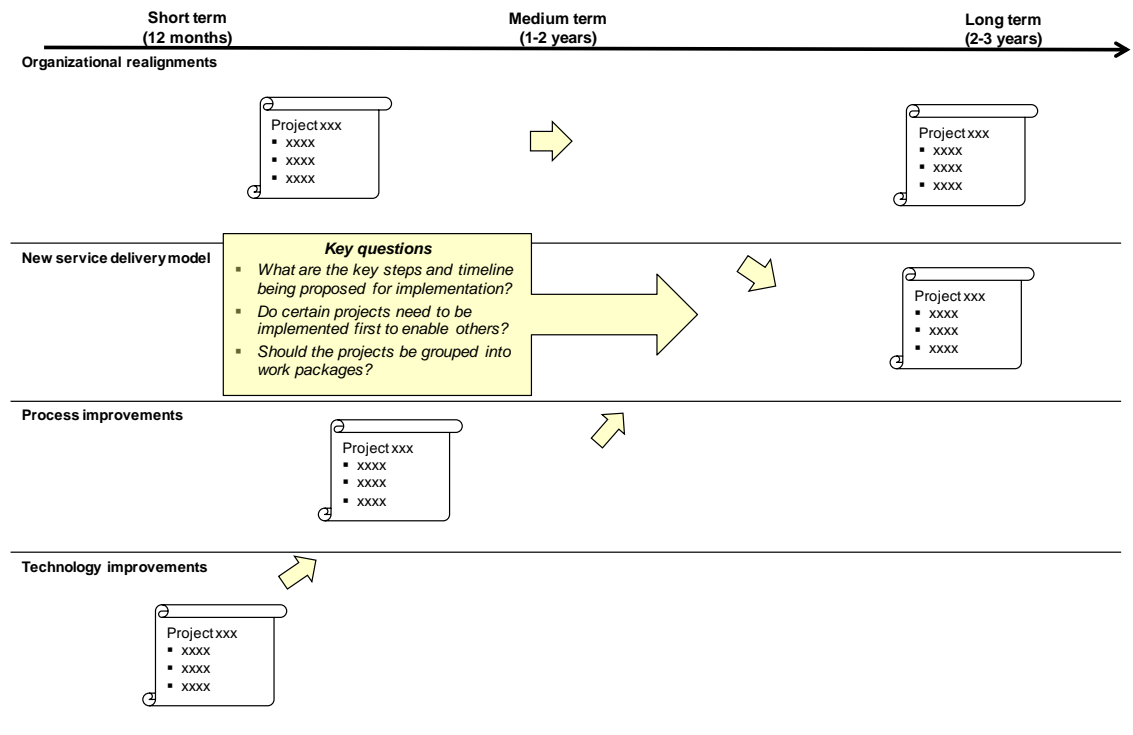
Confirm roles and responsibilities for project delivery, and more specifically who will play the champion and/or lead for each project, and what will be the composition of the project teams in terms of skills or expertise required (where project teams are needed).

Step 10—Prepare detailed implementation plans

Depending on the scope of the projects, prepare a critical path and detailed project implementation plans.

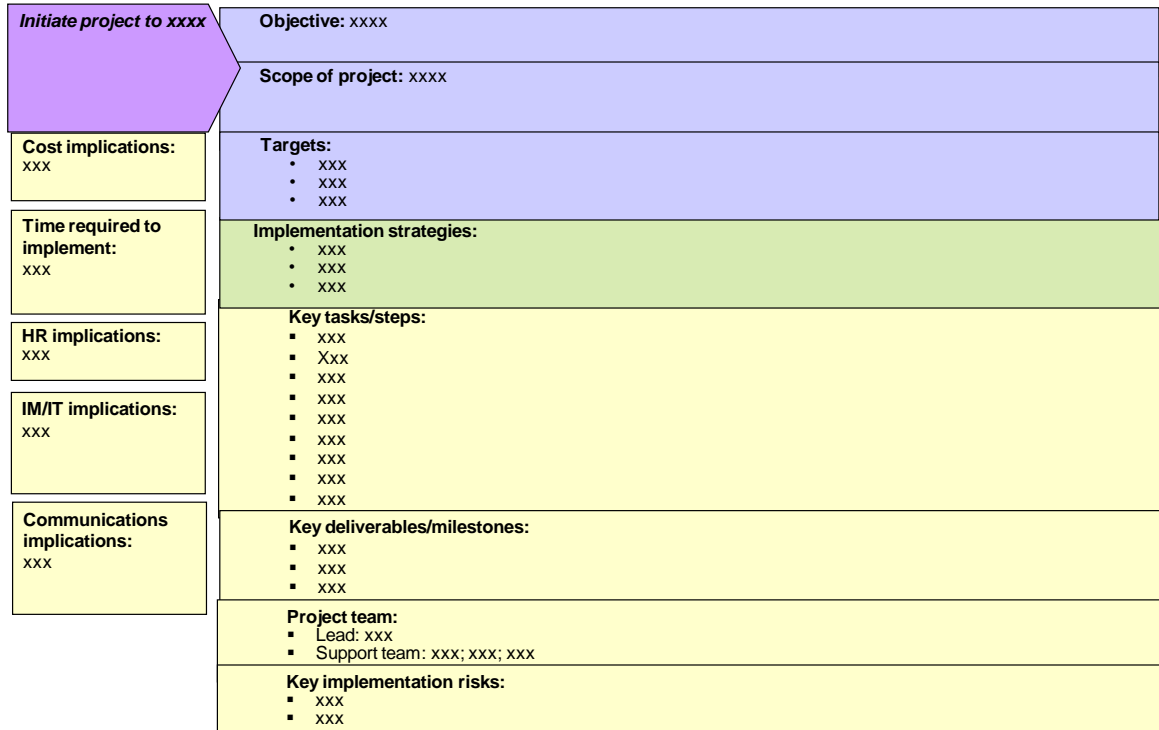
10.1 Prepare a critical path

Prepare an overall critical path that shows how the projects are interrelated (to the extent that they are), the sequencing of the projects (if applicable), and the overall timeframe foreseen for their implementation. Determine the sequencing of the projects in the short, medium and long term. Identify the interrelationships between the projects, and the proposed timelines.



10.2 Prepare detailed project implementation plans

Prepare descriptions of each project plan that incorporate the project objective, scope of the project, implementation strategy, the key tasks to be done, deliverables, estimated level of effort and costs, and key implementation risks. In addition, identify any implications in terms of human resource requirements, information management/information technology, or communications. The purpose of these descriptions is to ensure that there is a consensus as to the scope of each project, and to provide a common tool to report on the status of the projects during implementation.



III Work Plan

Generic work plan steps are shown below that would need to be customized to the context of your organization:

1. **Decide on the scope of the plan.** Review the elements to be included in the strategic/business plan depending on the planning objectives.
2. **Review documentation.** Consolidate and review background documents that can be used as input to the planning.
3. **Conduct interviews of the directors/managers responsible for each program area.** Interviews may be carried out with managers to collect information on the elements of the plan. Some interviews may be carried out with external stakeholders as well.
4. **Conduct background analysis required as input to the plan.** Conduct analysis of workload, performance results, and other evidence that can be input into the plan for review and discussion.
5. **Prepare plan templates.** Prepare a straw version of the plan for discussion purposes based on information available. The plan templates would be completed in advance to the extent possible based on input from the interviews and other information available.
6. **Conduct workshop sessions and dialogue.** Discuss and develop the contents of the plan with managers and staff.
7. **Prepare draft strategic/business plan.** Make revisions to the plan based on input received, discussions held and decisions made during the workshop sessions.
8. **Prepare detailed project implementation plans.** Prepare draft project plans and critical path as appropriate. Project managers should play a lead role in the development of the individual project implementation plans.