

Section 21 – Strategic Planning

Overview

Strategic planning is a comprehensive and systematic management tool designed to help organizations assess the current environment, anticipate and respond appropriately to changes in the environment, envision the future, increase effectiveness, develop commitment to the organizations mission and achieve consensus on strategies and objectives for achieving that mission. Simply put, strategic planning is preparing for and influencing the future instead of reacting or adapting to it. The Government Finance Officers Association (GFOA) recommends that all governmental entities use some form of strategic planning to provide long-term perspective for service delivery and budgeting.

Steps to Establishing a Strategic Plan:

1. Initiate the Strategic Planning Process-This should be spearheaded by the entity's Chief Executive Officer (CEO) and all stakeholders should be included. It is imperative that the CEO supports the strategic planning process as well as the plan itself otherwise, there is little chance of its success.
2. Prepare a Mission Statement – The mission statement should be a broad but clear statement of purpose for the entire organization. This allows the organization to decide on what it should be doing, but also what the organization should not be doing.
3. Assess Environmental Factors – The organization should assess both its internal and external environment. This can be accomplished by utilizing the SWOT methodology, which is assessing the organizations Strengths, Weaknesses, Opportunities and Threats. In addition to SWOT other factors such as economic and financial, demographic trends, legal or regulatory issues, social and cultural trends, physical (i.e. community development), intergovernmental issues and technological change and its effect on the community as a whole should be analyzed.
4. Identify Critical Issues – These would be identified after completing step three. The issues should recognize stakeholder concerns, needs and priorities.
5. Agree on a Small Number of Broad Goals – These written goals should address the most critical issues facing the community. It may be necessary to define priorities among goals to improve their usefulness in allocating resources.
6. Develop Strategies to Achieve Broad Goals – Strategies are ways to influence the environment to meet the broad goals. There should be a relatively small number of specific strategies developed to help choose among services and activities to

be emphasized. To ensure that the strategies succeed, opportunities for feedback from those that will be affected should be provided.

7. Create an Action Plan – This plan outlines how the strategies will be implemented which includes activities and services to be performed, how much it will cost, designation of responsibilities, priority order, and the time frame for the organization to reach its strategic goals.
8. Develop Measurable Objectives – Objectives are specific, measurable results to be achieved. These are guidelines, not rules. Objectives should be expressed as quantities or another form of quantifiable evidence and should include time frame.
9. Incorporate Performance Measures – Performance measures provide information on whether goals and objectives are being met.
10. Obtain Approval of the Plan- Approval from the governing body should be obtained. This will aid in their policy and budget decisions.
11. Implement the Plan – Stakeholders need to work together in implementing the plan. The plan should also drive the operating budget, capital plan and other financial planning efforts of the governmental entity.
12. Monitor Progress – Progress towards goals should be monitored on a regular basis through a systematic approach.
13. Reassess the Strategic Plan – Since environmental factors, both internal and external are constantly changing, a government's strategic plan should be reassessed to ensure the outlined goals still apply. Governmental entities should conduct strategic plan reviews every one to three years and adjust accordingly if necessary; and a comprehensive review and planning process should be conducted every five to ten years.

Resources:

GFOA Best Practice – *Establishment of Strategic Plans*
<http://www.gfoa.org/establishment-strategic-plans>

GFOA Best Practice – *Performance Measurement: Using Performance Measurement for Decision Making* <http://www.gfoa.org/canadian-best-practice/performance-management-using-performance-measurement-decision-making>

GFOA Best Practice – *Updated Performance Measures*
<http://www.gfoa.org/performance-management>

Strategic Planning for Public and Non Profit Organizations, 4th Edition by John M. Bryson

Financing the Future Long-Term Financial Planning for Local Government by Shayne C. Kavanagh

National Advisory Committee on State and Local Budgeting-*Recommended Budget Practices: A Framework for Improved State and Local Governmental Budgeting*