

Strategic Planning Process Agenda

Revised 7/29/04

Strategic Planning
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Phase I **Preliminary Planning**

Fewer resources, ever-demanding customers, and trends to outsource government services are a few of the compelling reasons why each agency needs crystal clarity on its current and future contribution to the lives of Oklahomans. **Prior to Phase II--the Strategic Planning Two-Day Facilitation Workshop, please do the following:**

Action 1: Select your agency planning team. If you will be participating in a facilitation that includes two or three other agencies, we recommend your team have four to eight members. If your facilitation will involve only your agency, your team should have four to 15 members, depending on the size of your agency. In developing your Oklahoma Agency Strategic Plan, the agency director *must* participate in the process, your plan will not be successful without buy-in from the top. Members of your strategic planning team should be important decision makers who will continue to be on the management team. To enrich the intellectual potential of the meeting, participants should also include people known to have relevant information, knowledge, and experience or who are known for being especially creative. It's essential to include people who will be doing the work of instituting the final strategic plan.”

Action 2 – Read enclosed articles and documents:

“Key Definitions,” page 4

“Agency Strategic Thinking Questions,” page 5

“Strategy: Definitions and Alternatives,” page 6

Highlights from “*Reinventing Government*,” page 7

Sample memo. Duane Smith suggests how to organize this planning team effort, page 8

Sample Environmental Scan -- cultural/social, page 9

The eight environmental elements, pages 10 - 17

Action 3 – Have a brief pre-workshop planning team meeting. Based on interest, request team members think about researching two (2) of the Eight Elements. Encourage them to involve others in the Agency. Develop one or two page handouts for each element. Bring copies to the workshop for each member of your planning team.

Action 4 – Prepare individual responses to the “Agency Strategic Thinking Questions.” Each planning team member, prior to the workshop, think about and make notes related to your agency opportunities, threats, strengths, and weaknesses. Bring completed notes to workshop.

Action 5 – Review the FY-2006 Budget Request Packet (this packet includes the agency’s outline for a strategic plan.)

Action 6 – Bring existing agency mission, goals, performance measures, and so forth.

There is work involved in developing future agency direction. Be assured that these requests have no wasted effort.

Key Definitions

Strategic Thinking—the ability to interpret environmental dynamics and identify emerging opportunities and threats.

Strategic Thinking, second definition—the art of outdoing an adversary, knowing that the adversary is trying to do the same to you (Dixit and Nalebuff, “Thinking Strategically.”)

Strategic Management—the process of identifying and pursuing the organization’s mission by aligning the organization’s internal capabilities with the demands of its environment.

Strategic Planning—part of the overall strategic management process. It represents the first of the strategic management tasks:

1. defining the organization and developing a mission and vision,
2. translating the mission and vision into strategic objectives and
3. crafting a strategy or course of action to move the organization from where it is today to where it wants to be.

Strategic Planning, second definition—the process of identifying the mission of the organization today and the mission it wants for the future, and then identifying the strategy, or course of action, the organization will pursue, given its opportunities, threats, strengths, and weaknesses.

Strategic Planning, third definition—the process by which an organization envisions its future and develops the necessary procedures, resources and operations to achieve that future. This is founded on the belief that the future can be influenced and changed by what we do in the present.

Agency Strategic Thinking Questions

For each of the following questions, you are asked to provide five responses per question. Answers for each question should be ranked in order of importance. Please identify each response with either "I" for Internal issue or "E" for External issue.

1. When you reflect on the strengths, distinctions, uniqueness and differences that we have at our agency, what are the five most important?
2. List five significant weaknesses or deficiencies within the agency that must be addressed and fixed soon.
3. What are five major opportunities available to the agency now and over the next 24 months?
4. What are five threats that could damage our agency's ability to best serve Oklahomans?
5. List the five most important/critical issues that the agency must focus on and accomplish during FY-2006 and 2007.
6. What are the five most important objectives for you personally to accomplish during this current fiscal year?
7. What are the five things we can do to sharply grow quality of existing services?
8. List five kinds of information (internal or external) that the agency needs to make the best choices in initiatives and actions.
9. If you could upgrade five key positions with consistent high performers who share our values, which ones would you select?
10. If money were no object, what are the five new services/programs you would implement during FY-2006 and 2007?

Strategy: Definitions and Alternatives

Paraphrasing Gary Dessler in his 1998 text, **Management**, a strategy is a course of action that explains how an organization will move from where it is to where it wants to be, given its external opportunities and threats, and internal strengths and weaknesses. Strategies have differing purposes:

1. sports—strategies are aimed at winning competition.
2. military—strategies are designed to win battles.
3. corporations—strategies are devised to increase market share or profitability.
4. associations—strategies should enhance or protect the association's power.
5. state agencies—strategies should enhance the agency's ability to influence its operating climate.

An organization must decide how to achieve its mission, vision, goals, strategic intent and so forth. That decision is called, "strategy." Here are four broad choices from the Dessler book. While some of these apply more to the private sector, state agencies might find even these strategies are viable for their situation.

1. Concentration—Focus on one product or service, for instance, water quality.
2. Vertical Integration—Control the inputs into your product or service, recruit people you make available to other agencies for them to hire.
3. Diversification—Expand into other products or markets, for instance, provide additional training beyond management training.
4. Status Quo—Maintain present strategy and focus on current products or services.
5. Reduction strategies—Get out of some product or service in order to maintain the long-range survival of the organization, example: Welfare to Work.

There is another variation on these four and that is the strategic alliance: agencies partnering to support one another to ensure both can achieve their mission and goals.

More specific strategies used by public agencies are described on page 18.

Highlights from Reinventing Government

David Osborne and Ted Gaebler's **Reinventing Government** was a landmark work that changed the way government was perceived by all who read it. Combined with practices from Total Quality Management initiatives, government has changed forever the way it views itself and the world. Here are the key strategies from **Reinventing Government**.

1. Catalytic Government: Steering Rather Than Rowing -- Government should provide direction and guidance rather than actually do the work.
2. Community-Owned Government: Empowering Rather Than Serving -- Government should work to put the power in the hands of the citizens instead of the government.
3. Competitive Government: Injecting Competition into Service Delivery -- Government should prove that services provided are competitive with private sector resources.
4. Mission-Driven Government: Transforming Rule-Driven Organizations -- Clarify the mission of the government body and focus on achieving that mission.
5. Results-Oriented Government: Funding Outcomes, Not Inputs -- Focus on the impact of the government body's activities, not the activities themselves.
6. Customer-Driven Government: Meeting the Needs of the Customer, Not the Bureaucracy -- Quality is defined by the customer, not the provider of the services.
7. Enterprising Government: Earning Rather Than Spending -- Government should take a more entrepreneurial approach to delivering services.
8. Anticipatory Government: Prevention Rather Than Cure -- Focus resources on preventing problems rather than fixing problems.
9. Decentralized Government: From Hierarchy to Participation and Teamwork -- Decisions should be made at the lowest possible level in the organization. Empower workers.
10. Market-Oriented Government: Leveraging Change Through the Market -- Learn to monitor the marketplace and respond to opportunities rather than react to crises.

**EXAMPLE
MEMORANDUM**

Date: May 5, 2000

To: Management Team Members

From: Duane Smith, Executive Director, OWRB

Re: Business Environment Intelligence Assignment for June Management Retreat

Thanks for agreeing to work together on assessing critical trends in our Eight study areas prior to our strategic planning workshop June 2-3 at the Oklahoma City Zoo.

This memo is to provide additional direction on the assignment.

* “Eight Elements Situation Analysis” Provided is the attached document to help you with your assigned topic area. Be selective. Adapt the questions as needed to fit our business.

*Essences: Your work together is about assembling facts and trends that we all need to be aware of as we plan five years into the future. Restrict your reporting to water related issues in the state/region.

*Specifications and format: Two pages typed should do the job. However, a few additional pages are acceptable. Let’s use the bullet format as provided. See Environmental Scan, Cultural/Social.

I’ve asked Jim Schulein to coordinate our effort. We agreed to have completed the task by May 28th. Call Jim as necessary to discuss. If you’ve forgotten who your teammates are and agreed upon subject areas, here is the list.

Laws and Regulation: Duane, Noel and Melton

Competitors: Joe, Mary S and Lou

Internal Environment/Organization Capabilities: Schue, Angela and Summers

“Hot Trends” - best practices: Derek, Mathis and Bob

Economy: Bill, Laura and Main

Technology: Dean, Jann and James

Demographics: Brian , Phyllis and Paul

Cultural/Social: Terri, Karen and Albano

Sample Environmental Scan

The Water Board

Cultural and Social

Number of protested permit applications have greatly increased due to a large extent on migration of corporate hog and chicken farms to Oklahoma.

Results in dedication of additional staff time to hold hearings, write findings, work with public, and work with other agencies and legislature ...

- +means more litigated cases in court
- +will continue to cause speculation in protecting groundwater sources
- +even if number of corporate farms stabilizes or even decreases, future competition for scarce water may cause increased protests

More need for regional water and sewer systems as housing densities increase and rural areas and communities develop, while EPA mandates and regulations get more strict. The percent of Oklahoma residents on a public water supply system increased by 5.4 percent between 1970 and 1990, while the percent of residents on individual wells decreased by 4.3 percent.

- +will help alleviate potential contamination to wells and other water resources from individual septic tanks
- +will necessitate adequate and innovative funding for changing infrastructure
- +septic tanks and individual water wells will be abandoned as regional water/sewer systems increase.

The number of people in elderly age categories continues to increase. Residents in age 45-64 bracket increased 3.8 percent in years 1980 - 1990 and 16.4 percent in years 1990 - 1996; number of residents age 64+ increased 21.7 percent; 1980 - 1990 and 9 percent in years 1990 - 1996. As older age groups increase:

- +water use will go down
- +fixed incomes will impact willingness to pay higher water/sewer rates and related infrastructure needs
- +will move into smaller, less water-use-intensive homes or group quarters
- +will participate in more water-based recreation

The number of Oklahomans completing higher education increases over time.

- +more environmentally aware

Improved farming/manufacturing practices

- +more conservation oriented

Local interests tend to be very protective of water resources.

- +enhances volunteer monitoring activities
- +impedes the most efficient use of excess water
- +causes competition for water

Business Environment Intelligence

EIGHT ELEMENT SITUATION ANALYSIS

1. Economy

1. Interest rates. Are rates expected to rise, fall, or stay the same? What impact will this have? What are the trends domestically and globally? How will changes in rates affect buyers and suppliers to the organization?
2. Recession/inflation. What is the real/perceived threat of recession or inflation? What impact will it have on the agency, potential buyers, and suppliers? Will it be short-term or long-term?
3. Building infrastructure. What plans for building infrastructure like roads, bridges, airports, water/sewer systems, etc., are on the horizon? Domestically? Internationally? How could they impact population shifts, your industry, markets, and customers?
4. Foreign exchange rates. What is happening to the value of the dollar and other currencies, particularly those in which potential suppliers and buyers operate? How should you be paid? Are you sufficiently hedged?
5. General economic activity. What trends do the indicators of future economic activity reveal? What do purchasing agents think? What is capacity utilization in a broad spectrum in industries? What is the level of consumer confidence, and which way is it going?
6. Trade supports. What is the balance of payments with major trading partners, and is it increasing or decreasing? How likely are trade wars to erupt, and how might they impact your industry, market, potential buyers, and suppliers?
7. What other factors that are unique to your industry are affected by economic trends?

Business Environment Intelligence

EIGHT ELEMENT SITUATION ANALYSIS

2. Social/Demographic

1. Population shifts in age, urban and rural, fertility rate. What will the impact of the aging population be? A shrinking labor force? Migration? Ethnic concentration? Birth and death rate?
2. Lifestyle and psychographic changes. How are people's expectations, lifestyle patterns, and psychographic makeup changing? Where are the emerging segments and opportunities?
3. Affluence levels. Do people feel more or less affluent? How much debt is outstanding? Are savings rates rising or falling? What will the impact of more retirees be?
4. Education levels. What are the national, regional, and international trends in education? Is there any relationship between education and your product and service? What is the importance of a highly educated and trained workforce in your industry and markets?
5. Work patterns. How are work patterns changing among men? Women? Youth? Seniors? How might telecommuting affect your industry, markets, buyers and sellers? What are the implications for training, motivating, and retaining your employees?
6. Dual-career families. What are the trends in dual-career families? How will this phenomenon affect your industry, markets, buyers, and sellers?

Business Environment Intelligence

EIGHT ELEMENT SITUATION ANALYSIS

3. Government and Regulatory

1. OSHA and EPA regulations. What is the mood of government and the populace toward regulation? More or less? Are there any landmark decisions pending or recently decided? How might they affect your industry, markets, buyers, and sellers?
2. Environmental Issues. What are the “green” issues affecting your industry, markets, buyers, and sellers? Domestically? Internationally? What is the mood of Congress and the people?
3. Labor and employment laws. Are unions gaining or losing strength? How strong is the push toward raising the minimum wage? What restrictions does the law currently place on employing legal or illegal immigrants? Are women continuing to enter the workforce at historic levels?
4. GATT/NAFTA. What is the current impact of these agreements on your industry, markets, buyers, and sellers? What will it be in one year? Three years?
5. Federal budget constraints. Where will cutbacks occur, and what impact will they have on your industry, markets, buyers, and sellers? When will the impact be felt? Will tax laws become more restrictive or lenient?

Business Environment Intelligence

EIGHT ELEMENT SITUATION ANALYSIS

4. Competition

1. New players. Who has recently entered or reentered the market? Is this a synergistic market with traditional products and services, capabilities, and history? How have competitors historically entered new markets -- aggressively, cautiously, through innovation, differentiation, or value? Are they financially strong?
2. Alliances and changes in market share. Who is growing or declining in share? Are competitors sacrificing profit to gain share? What is causing the change -- new products, alliance and acquisitions, new strategy? How might the change affect your customers? The competitors and customers?
3. Changes in financial condition of particular competitors. Have they recently been acquired or sold off a significant portion of their business? What is their debt-to equity ratio? How has it changed? What are the implications to excess or declining cash?
4. Changes in strategy for products, pricing, distribution, etc. What changes have been reported or observed, and how might they impact the industry, market, customers and your organization? Are the changes evolutionary or revolutionary? Are there parallels in other industries, markets, and companies that could be studied?
5. New products and services introductions. What is the competition's new product strategy? Are competitors generating new products internally, borrowing from another strategic business unit in the agency, or looking outside? Do the new products or services signal a strategic shift in direction for the agency?

Business Environment Intelligence
EIGHT ELEMENT SITUATION ANALYSIS

5. Technology

1. New equipment or processes. What are the new technologies that will drive development of new equipment or processes in your industry and markets? How can your organization learn about the new technologies quickly? What new equipment or technologies are available?
2. New cost levels. What technologies can reduce costs in your industry and markets for you, your buyers, and your sellers? How much could costs be reduced? What impact could this have on your industry, markets, buyers, and sellers?
3. Communications. How will communications be enhanced in the future? Will technology allow you to enter new markets and serve new customers? Will it bring new competitors into your market? What will be the impact on your industry, markets, buyers, and sellers?
4. New products and services. What does technology bring to new product/service developments? How will technology change products in the future? Will new technology make a product or service obsolete in the future?
5. Inventions. What is the current invention rate for the organization? How does that rate compare to others in the market? What are the major sources of invention within the industry?

Business Environment Intelligence

EIGHT ELEMENT SITUATION ANALYSIS

6. Markets/Customers

1. Growth or decline of markets. Are your markets growing or declining? Slowly? Rapidly? What is contributing to this? Is your product in or out of fashion? Is a complementary, counter-cyclical, or supplier market experiencing good or bad times?
2. New products or categories. What new products have been introduced? Are there new technologies that offer significant cost reductions, process changes, or substitute materials? Are the new categories really new or simply line extensions packaging changes, or restaging? Is a traditional customer finding a substitute product?
3. Emergence of new segments. Has a new group of customers emerged that want different benefits from those currently being served by existing products?
4. Changes in customer needs and wants. Are there any indications that customer preferences are changing? Are customers asking for more, less, or different products and services? Do they want products and services faster? Do they want different distribution methods?
5. Service changes. What is happening with hours of operation? How do customers want to buy - personal service or no service? Are your customers becoming more international?

Business Environment Intelligence

EIGHT ELEMENT SITUATION ANALYSIS

7. Industry Trends and Best Practices

1. Industry leaders. Who are the excellent organizations? Initiate telephone calls using your network as to whom to contact.

2. Criteria for best practices.

Produces superior results.

Superior is defined as 25% higher results than normal output.

Clearly a new or innovative use of manpower or technology.

Recognized by at least three different references as a best practice.

Received an external award.

Deemed so by organizations, customers, or suppliers.

Recognized by an industry expert.

Organization utilizing it has a patent for the practice.

3. Search out answers to current needs. What priorities best define critical business issues? Where can there be technology applications to billing; vendor consolidations; inventory innovations; customer loyalty; etc.? Seek out the best practice to one organizational function at a time.

4. Open-ended inquiry. Ask the question without assumption. "Who's pioneering in areas we haven't even begun to think about ...?"

Business Environment Intelligence

EIGHT ELEMENT SITUATION ANALYSIS

8. Factors of Production and Internal Environment

Availability of capital and financing and funds. What will the availability of capital and financing and funds be for investment, expansion, and working capital?

1. **Equipment.** Is the trend in the industry toward more equipment or less? Are robotics becoming more prevalent? What is the demand for equipment, and what are the backlogs?
2. **Labor availability and cost.** Is the trend toward more or fewer people per unit of production? Are trained people readily available? Will they be available in the future? What are the expectations of the workforce?
3. **Technical skills.** What specialized skills will your industry or organization need in the future? What is the pipeline of skill development in the current market? What other industries are competing for these specialized skills?
4. **Management skills.** What is the life-cycle of the industry and your products? What management skills will be needed for these stages? Given the expectations of workers and an increasingly global business environment, what management skills will be needed in the future? What industries are going through changes that are similar to or different from yours? What has made management in these industries successful?
5. **Overhead.** What can you find about trends in overhead in your industry, among competitors, buyers, and sellers? What pitfalls can you avoid? What successes in lowering overhead have been reported?

Phase II **Agency Strategic Planning Workshop**

Goals of Process

1. Each agency planning team has a free-wheeling exploring of the opportunities to best serve Oklahoma in FY 2005-2010.
2. Each agency planning team develops consensus on key definitions of strategic, long-term direction – mission, vision, values, strategy, and goals.
3. Each agency planning team has a “high priority” implementation plan for FY 2005, a less detailed plan for FY 2005-2010.
4. Participants have confidence with strategic planning approaches and tools.

Phase I – Preliminary Planning

Previously identified reading prior to the Strategic Planning Workshop

Phase II – Strategic Planning Workshop

Day One

1. Agency Direction Reviewed
 - a. Mission, key programs, etc.
2. Opportunity Assessment – Exercise
 - a. Eight Factor Analysis – Summaries
 - b. Strategic Opportunities – Drafts
3. Mission
4. Vision
5. Values and Behaviors
6. Strategy
7. Strategic opportunities revisited – Exercise
 - a. Creative responses to new and anticipated realities
 - b. Prioritization

Day Two

1. Long-term goals
2. Agency-wide Programs
3. Strategy Assessment
 - a. Obstacles
 - b. Addressing missing components
4. Agency Strategic Plan Draft #1 – “Good Enough”
5. Action Plans for Intercession

Phase III – Intersession

1. Meet with “key players to explore and expand drafts
2. Assemble additional data (financial import validity assumptions, etc.
3. Political (organizational feasibility checks)
4. Finalize Draft #2

Phase IV – Strategic Planning Review Meeting

1. Review agency strategic plan – draft
2. Confirm Direction (mission, vision, values, strategy, goals)
3. Confirm Implementation (agency-wide programs)
4. Commitment
5. Action Plan for Finalizing Plan
 - a. Schedule of reviews
6. Communication Plan

Phase V – Ongoing Strategic Plan Development

1. Continue process until strategic plan is submitted with FY 2006 budget request
2. Update annually

DAY ONE

Mission

Vision

Values and Behaviors

Mission and Vision Formulation

**“Where are we and where are we going?”
2005--2010**

What?

Most organizations answer the “what” question in terms of goods or services currently produced. This may prevent them from seeing new opportunities for growth or from responding to challenges. Instead, answer the question in terms of customer needs. Then the organization is more likely to develop new products or services to meet those needs and less likely to experience obsolescence or decline.

What?

(Customer functions, products, or services)

Who?

No organization can meet all the needs of all possible customers. The mission requires a clear identification of what portion of the potential customer base is the organization’s primary target. This is called market segmentation. Markets can be segmented in many ways: geographically, financially, ethnically, and so on.

Who?

(Customer or client groups)

How?

Deciding “how” the organization will achieve its mission may involve a positioning, such as being the low-cost producer or the technological leader. It may involve a distribution system, such as regional warehouses or evening classes in factories. It may involve a variety of processes through which the organization can deliver products or services to a defined consumer group.

How?

(Activities, technologies, and driving forces)

Driving Forces

Mission formulation includes identifying and prioritizing the organization's "driving forces." Tregoe and Zimmerman (1980) identify nine basic driving forces. These are:

1. Products or Services Offered: Commitments to a product or service, such as retail banking or corn-sugar refining. Strategy is limited to more of that product or service, done better.
2. Market Needs: Potential customers are continually surveyed to discover unfilled needs for goods and services. And products are developed to fill those needs.
3. Technology: The organization develops products and services based on the latest scientific breakthroughs.
4. Production Capability: Commitment is to keeping existing production capability utilized, e.g., to have hospital beds filled or to have aluminum ingots on the dock.
5. Method of Sale: The method of sale, such as door-to-door selling, direct mail, bonus programs, etc., directs the strategy.
6. Method of Distribution: The method of distribution, such as regional warehouses, manufacturer's representatives, pipelines.
7. Natural Resources: The organization is dependent on natural resources such as coal, timber, metals, or land.
8. Size and Growth: Goals regarding size and growth dictate efforts to achieve significant growth above current performance.
9. Profit/Return on Investment: High requirements about profit margins or return on investments influence decisions.

The strategic planning team prioritizes the driving forces from one to nine in order of their perceived importance. Most major, strategic decisions in organizations involve the allocation of resources according to a set of priorities. The consensual ranking of the most important driving forces enables the planning team to make difficult decisions more easily.

Elements of a Motivating Vision

(as described in **The Transformational Leader**,
John Wiley & Sons, c. 1986, Tichy, Noel M., Devanna, Mary Anne)

Highlights

1. Characteristics of a vision

- A holistic vision of the future and the organization in it, including a view of its technical, political and cultural aspects
- The idea to strive for
- Rarely one person's dream, but the expressed commitment of the group
- A complex collage of what an organization should strive to become
- The mission is at the core
- Causes a basic shift to occur – a breaking with the past

2. Power of a vision

- Releases the energy needed to motivate the organization to action
- Provides the challenge for which the organization and its members strive
- Provides a conceptual road map or blueprint for the future
- Provides an overarching framework to guide day-to-day decisions and priorities
- Provides the parameters for “planful opportunism”

3. Process for creating a vision

- Involves use of both right (creative) and left (analytical) brains
- Right brain thinking (the creative brain) is contrary to the analytical style of thinking managers were encouraged to abide by in the past
- Must have an environment where creativity can flourish -- one where risk-taking is encouraged; where criticism and defensiveness are non-issues.

4. Some specific techniques:

- No one way
- One example: Have team write a journal article that describes how the organization would look five years from now. Then, have each individual identify both the personal and organizational themes in the article.

Sample Vision

The Water Agency

Multi-use “balancers” of water resources.

Leaders of Water Issues: The Water Agency will be the first choice for Oklahoma in problem solving complex water issues.

Professionals: The Water Agency will be recognized experts in our field and the best managers in state government.

Sample Mission and Vision

Oklahoma Tax Commission

Mission

To serve the people of Oklahoma by promoting tax compliance through quality service and fair administration.

Vision

Be the Benchmark.

For Taxpayers:

When asked, taxpayers always choose the Oklahoma Tax Commission as the easiest with which to work and the most accessible and customer-friendly agency in the state of Oklahoma.

For Stakeholders:

Stakeholders use the Tax Commission as their example of the state's most proactive, fair and equitable agency, which consistently exceeds its customers' expectations every time.

For Peers:

Peers say "Oklahoma" every time they look for the most forward-thinking, trend-setting knowledgeable, customer-friendly tax processing agency in the world.

For Employees:

Employees recognize the agency as the best place to work in the state of Oklahoma.

Values and Behaviors

What negative behaviors might be addressed with a statement of values?

To what degree do the stated values differ from actual behavior?

Values and behaviors are: “The way we do things around here.”

Deliver Commitments:

1. Timely completion of tasks. If we promise on Monday, we deliver on Monday.
2. Customer response within the promised time frame.
3. Missed commitments disturb us “big time.”
4. Commitments are negotiated that are mutual and realistic.

Partnership with Customer:

1. Legal agreements demonstrate we share risks and benefits.
2. Problem solving and planning sessions scheduled regularly.
3. “Yes” is not always the right answer.
4. We value retailer input in our decision making process.

Risk Taking is Encouraged:

1. Development decisions are made on criteria other than financial return.
2. Take calculated short-term risks to benefit the long-term.
3. Manager and subordinate will agree, “It’s OK to fail when taking calculated risks.”
4. Joint venture projects with retailers are actively considered.

Balance of Work and Personal:

1. Lifeworks program.
2. Alternative work schedules.
3. Managers and staff discuss how to minimize any long-term situations of “overload.”
4. Employee occasionally leaves at earlier time to take care of an unplanned family situation without negative comments.

Shared decision making:

1. Colleagues participate in yellow sheet preparation.
2. Task forces are utilized to solve problems.
3. Appropriate stakeholders are involved in decisions.
4. Employee input is valued.
5. Our people are our strongest asset.
6. Training – designated training person in region.
7. Budgets reflect funding for continued education.
8. Recognition for jobs well done. Appropriate celebrations are practiced and encouraged.
9. We maintain a Mentor Program
10. Employees are both professional and ethical
11. We give honest answers to questions.
12. We practice “active” listening.
13. Employees are fair with the agency because the agency is fair with them.
14. Focus on the issues, not the person.
15. Confidentiality is expected.

16. Sample

Values and Behaviors

Standards and behaviors are the organization's Rules of Thumb:
"The way we do things around here."

Teamwork

Through cooperation, effective communication, trust and the promotion of new ideas we will succeed; and where there is success for one, there is success for all.

1. Be sensitive to and intelligent with each other.
2. Make a point searching out colleagues who help me better understand the business of the Department of Central Services.
3. Decision making includes question and criteria about impact on the Department of Central Services as a whole and/or the Division.

Image

Striving for a high level of integrity, we believe it is important to work in an environment that enhances self pride and mutual respect.

4. Accomplish work in an on-time and efficient manner.
5. When there are problems with an assignment, we will get back with the customer.
6. Explain why changes were made with a procedure or process.

Quality

Through on-going training and education we are committed to doing the job right the first time, meeting our customers' needs in a courteous, responsive manner.

7. Timely response; on-time fulfillment of promises.
8. Tasks performed to specifications that have been negotiated prior.
9. Dedicated to and support of increased skills and knowledge is expected and encouraged.
 - i. Hours or certification that help our quality work.
 - ii. Funds spent on training.

Reputation

We believe in taking pride in a job well done, approaching our work with a "can do" attitude.

10. Search outsource and cause -- show respect.
11. Positive attitude -- if answer to problem is no, provide the why and suggest an alternative.
12. No buck passing -- see what is needed and respond.

Creativity

We are willing, responsive and able. The personal and professional development of each team member allows us to find new and better ways to serve our customers.

13. Encourage and reward individuals who are innovative in accomplishing given tasks.
14. Department of Central Services environment is open, embraces change, and encourages independent thinking "outside the box".
15. We are always willing to consider any ideas on how to approach a task.

DAY TWO

Long-Term Goals

Goals and Performance Measures

Financial:

How do we look to stakeholders?

Goals

Measures

Customer Perspective:

How do customers see us?

Goals

Measures

Internal Operations:

How do we excel?

Goals

Measures

Innovations and Learnings:

How do we develop new capabilities?

Goals

Measures

Core Competencies (Goals)

Operational Excellence

Providing customers with reliable products and services at competitive prices and delivered with minimal difficulty or inconvenience.

1. Leads its industry in price and convenience.
2. Seek ways to minimize overhead costs, eliminate overhead costs, eliminate intermediate production steps, reduce transaction and other friction costs, and optimize business processes across functional and organizational boundaries.
3. Emphasize efficiency and reliability.
4. Build operations around information system that emphasizes integration and low cost transaction processing.

Examples: Dell Computers, Wal-Mart, American Airlines, Federal Express, and General Electric's "White Goods" business.

Client "Connectedness"

Segmenting and targeting markets precisely and then tailoring offerings to match exactly the demands of those niches. Respond quickly to almost any need, from customizing a product to fulfilling specialty requests. They engender tremendous customer loyalty.

1. Continually tailor and shape products and services to fit and increasing final definition of the customer.
2. Can be expensive, but we are willing to spend now to build loyalty for the long-term.
3. Look at customer's lifetime value vs. the value of any single transaction.
4. A company's profitability depends, in part, on maintaining a system that can differentiate quickly and accurately among customers, based on both the degree of service they require and the revenues their patronage is likely to generate. Services will vary by potential and actual value.

Examples: Home Depot, Staples, Cibe-Geigy, Kraft, and Frito-Lay

Product and Service Innovation

1. Offering customers leading-edge products and services that consistently enhance the customer's use or application of the product, thereby making rivals' goals obsolete.
2. Produce a continuous stream of state-of-the-art products and services. They must be creative, commercialize their idea quickly and relentlessly pursue new solutions to the problems that their own latest product and service has just solved.
3. Product leaders do not stop for self-congratulations: they are too busy raising the bar.
4. Avoid bureaucracy at all costs. Managers make decisions quickly because it is often better to make the wrong decision than to make one late or not at all. Decide today, implement tomorrow.
5. Do not plan for events that may never happen; do not spend much time on detailed analysis. Our strength lies in reacting to situations as they occur.

Examples: Nike, Johnson & Johnson

Sample

Goals

Goals define the general areas where things will be made to happen. They direct us toward the organization's vision.

Healthy Organization: Current employees are the advertisement that attracts and retains the best talent to work in DCS.

Best Practices: Our procedures, systems, and business practices are models.

Stakeholders: Our diverse range of stakeholders know and support our significant contributions that make Oklahoma better.

Customer Responsiveness: The agency is recognized throughout state government as being creative partners in solving our customers' problems.

Sample

Goals

Goals define the general areas where things will be made to happen.
They direct us toward the organization's vision.

1. New programs: Utilizing existing expertise and developing new expertise. Identifying emerging trends and capitalizing on opportunities
2. Centralization of key services: Developing competencies available to all programs that support them in being the best in the business
3. Integration with the larger mission of the College of Continuing Education. Linking our efforts more effectively with those of the College of Continuing Education and the University.
4. Developing and sharing quality innovative programs utilizing alliances within the division.
5. Financial strength: Continuing to offer quality services that produce a growth in revenues for the division.
6. Staff Development: Provide leadership and staff development opportunities through appropriate mechanisms.

Example

Strategic Intent as Headlines

City of Sunnyvale	“City that Works”
Public Works: Anchorage	“Tour Company for Snowbelt”
Port of Portland	“Economic Engine of the Northwest”
NYC Violations Department	“Citibank for Scofflaws”
Dept. Of Education: Washington	“Schools for the 21st Century”
Washington Public Power Supply	“Energy Services Company of the West”
Federal Job Training: Massachusetts	“Kelly Services of Massachusetts”
(Your agency or department here)	_____

State of Oklahoma

**Strategic Profile
2005 – 2010**

Mission

Vision

Values and Behaviors

Goals

Sample

BPA Strategic Profile, 1992

Mission

BPA will work in a regional partnership to define and achieve the electric power, conservation, and fish and wildlife objectives of the Pacific Northwest. We will provide our customers with a low-cost, reliable, and environmentally sound power supply and transmission system. We will do so in an open and business-like way, responsive to citizens's concerns and to our obligations as a Federal agency. We will provide creative leadership and fulfill our responsibilities with professional excellence.

Vision

The Best for the Northwest Through Teamwork – BPA The most competitive and socially responsible power system in the nation.

Organization Values

Cultural Commitment – We will create an organizational culture which will meet the challenges of a new century by demonstrating a personal commitment to:

- Effective teamwork;
- Treating each other as customers;
- Valuing each individual's contributions within a diverse workforce; and
- A real change in the opportunities for success of minorities and women while assuring fairness and equity in the workplace.

Business Goals

Power – A regionally accountable power system meeting growing customer needs competitively while enhancing fish, wildlife, and the environment.

Transmission – BPA and the NW utilities will cooperatively develop and achieve the operation of a reliable, low-cost, environmentally sound NW transmission system which facilitates competitive and efficient wholesale power supply markets.

Customer Service – Never forget who you're here for. Get close to your customers. Know their needs. Serve them.

Environment – While maintaining its competitive ability to serve, BPA will become an exemplary steward of the rich and diverse environment it affects, so that future generations will enjoy greater environmental and economic opportunities. Therefore, BPA will:

- * Increase employee awareness of environmental concerns;
- * Fully comply with environmental laws and regulations;
- * Fulfill its National Environmental Policy Act Requirements efficiently and effectively;
- * Promote conservation of all natural resources (e.g., land, water, fish and wildlife); and
- * Take prudent risks to favor environmental stewardship.

Agency Key Performance Measures

Goals

Measures

Sample

Department of Central Services **Performance Measures FY 98**

Accounting Division

1. Each division working with the Accounting Division will have in place no fewer than one innovation that will provide financial data to improve management. For example, the Accounting Division improved service to BMD/Asbestos by establishing a "Pilot Check Book" database in Lotus Notes.
2. Accounting established turn-around time for payables of five working days from receipt of invoice to presentation to OSF for payment.
3. Seventy-five percent of all accounts receivable are current (0 - 30 days)

Asbestos (Environmental Abatement) Division

1. Asbestos has completed 100% of its jobs on time or ahead of schedule since 10-1-97.
2. Asbestos has reduced fixed operating costs by \$363,000 during FY98.
3. Asbestos has implemented a Job Costing System since 10-1-97.
4. Asbestos is establishing a major maintenance log for vehicles to track costs and determine replacement schedules.

Building (Facilities) Management Division

1. 18.5 of 39 proposed payback projects are completed totaling \$114,486 in savings.
2. Annual operating costs have been reduced during each of the last two fiscal years with no decrease in services.
3. The Surplus Property Program became self-supporting in FY98. Building Management can now apply the savings of \$93,721 to other projects.

Central Printing Division

1. The FY 99 budget will operate on less funding than FY 98, while implementing four (4) new projects that impact service.
2. During FY 98, Central Printing guarantees \$70,000 of additional revenue from new and expanded services by acquiring new equipment that produces color copies.
3. Central Printing reduced printing time by 50% on jobs using the new perfecter press which rapidly produces two-sided copies.

Construction and Properties Division

1. A checklist which clearly communicates what documents need to be returned to CP to expeditiously execute the contract is now being mailed with each contract. No contracts to be returned due to incomplete documentation during FY 98.
2. Oklahoma Statewide Roofing Contract is in place. Any state agency or higher education can access this contract and receive prompt solutions to their roof problems. Twenty projects covered by this contract are now underway across the state.
3. C & P has initiated cross training in office job duties and procedures to improve efficiency and customer service.

Sample

Performance Measures

Performance measures are the dials and indicators in an airplane cockpit. Successful flying (managing) relies on monitoring a number of interrelated focuses.

A. Promulgate Water Quality Standards and coordinate implementation such that 80 percent of all surface water evaluated using Use Support Assessment Protocols and the Statewide Water Quality Monitoring Program to maintain their beneficial uses.

Oklahoma rivers and streams water quality – Support beneficial uses

Oklahoma lakes by trophic status

B. Provide financial assistance (loans/grants) to 80 percent of qualified entities seeking (and qualifying for) assistance.

- To meet emergency needs,
- To meet compliance requirements,
- To meet rural development graduation requirements,
- To improve water quality by reducing pollutants discharged by 75 percent by CWSRF loan recipients (for treatment facilities).

C. Manage the water resources of the state by issuing ____ permits for water withdrawals resulting in \$_____ of economic development in accordance with appropriate state statutes for surface water and groundwater.

- Each landowner will be able to pump the equal proportionate share of water in state groundwater basins,
- Surface water resources will be managed to ensure water is available to water rights permittees.

D. Ensure Oklahomans have enough water to satisfy long-term needs.

- Weather modification,
- Hazard mitigation,
- Kiamichi Basin Development Project,
- Water Conservation

(Put Date Here)

Agencywide Action Plans

Title:

Contributing to which long-term goal:

Performance measures:

Description (include opportunity, requirements and cost benefit)
(Attach additional pages as necessary)

Action Plan

Task:

By whom:

Completion date:

Participants in creating this plan:

Project Leader:

Date:

Priorities for Agencywide Action Plans

Organization

Level X

Level Y

Level Z

Sample

FY-2000 High Priority Program #4

Agency Goal: Creation of Safe and Healthy Work Environment

Program Title: Management Development/Succession Planning

Objective: To assure a smooth transition when employees in critical positions retire or leave the Agency, a process for placement of qualified personnel will be developed by June 30, 2000.

Description: (include opportunity, requirements and cost benefit)
(Attach additional pages as necessary.):

The development of a replacement program for retiring personnel in critical positions will provide the agency an opportunity for consistent operations while maintaining its high level of customer connectedness. It will also offer opportunity to employees wanting to expand their career with the OWRB. The training program will require a commitment in time and resources for internal training (current OWRB employees trained as replacement personnel as well as compliance with the State Office of Personnel Management hiring procedures. Cost benefits include not reducing fee income (I.e., Financial Assistance Division and savings from not outsourcing services while new hires (those not trained through the program) are learning on the job, as well as saving time and maintaining high standards of customer service.

Action Plans

Tasks: Coordinate with Human Resources and Administrative Services to begin development of plan
By Whom: Chiefs HR Division
Completion Date(s): Jan. 31, 2000

Tasks: Identify affected positions and potential candidates
By Whom: Chiefs HR Division
Completion Date(s): Mar. 31, 2000

Tasks: Develop appropriate cross-training procedures for each affected position
By Whom: Chiefs, HR division, Employees
Completion Date(s): May 31, 2000

Tasks: Implement training program
By Whom: Chiefs, HR Division, Employees
Completion Date(s): June 30, 2000

Participants in creating this plan:

Project leader:

Date:

Sample

Department of Central Services

Program Title: Customer Responsiveness

Objective: The Department of Central Services will know who our customers are and their needs. We will respond courteously, promptly, and efficiently to those needs, seizing opportunities created by changing conditions. By 1-1-98, and quarterly thereafter, we will report specific ways in which we can improve service to each other, to vendors, and/or to other agencies.

Description (include opportunity, requirements and cost benefit): In order to achieve our objective, we will encourage our employees and customers to freely express their ideas, to search for and implement best practices, to provide a high return on investment of taxpayer dollars, and to take pride in a job well done. There will be evidence of actions taken by division that demonstrates agency concern for customers, and we will keep a record of comments received. As an agency, we will accumulate 100 positive comments from customers before the end of the fiscal year.

Action Plan

Tasks:

Identify strengths and weaknesses, implementing a plan to improve weaknesses and capitalize on strengths.

Identify best industry standards and develop an implementation plan wherever possible.

Monthly at E-Team meetings, we will spend 30 minutes allowing designated directors to share their improved service methods and result with the rest of the E-team.

Design and distribute a survey or other method for customer feedback, I.e., a comment form.

By Whom: Bob Thomas, Gary Tresemer, George Moore, Gerlinde Williams, Jason Smitherman, Jeanie Robards, Jim Miles, Ken Miller, Lynn Nash, Sara Bohanon, Steve Durall, Steve Dwyer, Tom Jaworsky, Wayne Cotton, Wayne Hagar, Bob Thomas, Gary Tresemer, George Moore, Gerlinde Williams, Jason Smitherman, Jeanie Robards, and Jim Miles.

Completion Date(s):
State of Oklahoma

Strategic Choice Analysis

<u>Subject/Problem Statement:</u> <input type="checkbox"/>		
<u>Objective/Desired Outcome:</u> <input type="checkbox"/>		
<u>Present Situation/Background:</u> <input type="checkbox"/>		
<u>Proposals/Strategic Choices:</u>		
#1 <input type="checkbox"/>	#2 <input type="checkbox"/>	#3 <input type="checkbox"/>
<u>Advantages:</u>		
1	<input type="checkbox"/>	<input type="checkbox"/>
2	<input type="checkbox"/>	<input type="checkbox"/>
3	<input type="checkbox"/>	<input type="checkbox"/>
<u>Disadvantages:</u>		
1	<input type="checkbox"/>	<input type="checkbox"/>
2	<input type="checkbox"/>	<input type="checkbox"/>
<u>Actions Required:</u> <input type="checkbox"/>		
<u>Recommendation:</u> <input type="checkbox"/>		

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Appendix

BRR-0300
(rev. 7/2004)

FY-2005 - 2010 Strategic Plan

filed: (date here)

Please note: These forms are for use as working papers only. The agency Strategic Plan must be entered using the appropriated forms on the OSF internet Budget Request and Strategic Plan site. Please see instructions.

"Agency Name Here"

address

agency director

board / commission members

*agency management/division/program directors
(title and name)*

description of the strategic planning process followed by the agency

If there is a more detailed strategic plan for the agency, available from some other source, please list the name and phone number of the contact person here: _____

FY-2005 - 2010 Strategic Plan

"Agency Name Here"

EXECUTIVE SUMMARY

Summary of environmental assessment -1:

Summary of environmental assessment -2:

Summary of new conditions / issues that will exist in the short and long-term future:

Summary of agency-wide action plans to address the needs:

Summary of financial needs to address issues:

FY-2005 - 2010 Strategic Plan

"Agency Name Here"

AGENCY MISSION

AGENCY VISION

VALUES AND BEHAVIORS

FY-2005 - 2010 Strategic Plan

"Agency Name Here"

LONG-TERM GOALS and AGENCY KEY PERFORMANCE MEASURES

Summary of long-term goals and measures:

Goal #	Agency goal					
KPM #	Agency Key Performance Measure					
	Key Performance measure - description					
	Actual		Budgeted		Estimated	
	FY-2003		FY-2005		FY-2006	
	FY-2004				FY-2007	
					FY-2008	
					FY-2009	
					FY-2010	

KPM #	Agency Key Performance Measure					
	Key Performance measure - description					
	Actual		Budgeted		Estimated	
	FY-2003		FY-2005		FY-2006	
	FY-2004				FY-2007	
					FY-2008	
					FY-2009	
					FY-2010	

Goal #	Agency goal					
KPM #	Agency Key Performance Measure					
	Key Performance measure - description					
	Actual		Budgeted		Estimated	
	FY-2003		FY-2005		FY-2006	
	FY-2004				FY-2007	
					FY-2008	
					FY-2009	
					FY-2010	

etc.

FY-2005 - 2010 Strategic Plan

"Agency Name Here"

AGENCY-WIDE ACTION PLANS

Summary of action plans:

List of action plans:

ASSUMPTIONS

Summary of assumptions:

List the assumptions: