
From: Brenda Jones [brendajones57@gmail.com]
Sent: Monday, January 25, 2016 11:56 PM
To: Margaret Friedenauer; Ron Jackson; Diana Lapham; Mike Case; Tresham Gregg; George Campbell; Jan Hill; Brad Ryan; Julie Cozzi; Krista Kielsmeier; Brenda Jones
Subject: Strategic Planning Process Power Point Presentation for Tuesday's Meeting January 26
Attachments: The Strategic Planning Process.pdf; HB Example Strategic Plan.docx; HBSD 2014-15 Strategic Plan.pdf

Julie - Please include the documents attached to this email as part of the public record Please make the documents available on the borough website for the meeting agenda and package. Also, I will need to have the ability to use the projector tomorrow to present this information.

Dear Assembly Members:

I requested 15-20 minutes at Tuesday's meeting so that I could provide you with information on the strategic planning process. I have prepared a power point presentation that will introduce you to the general concepts of Strategic Planning. I have also prepared an Example Strategic Plan for reference. Additionally, I am providing a copy of the Haines Borough School District Strategic Plan that was updated for the 2014/2015 school year. The HBSD plan provides good information on general layout and the objectives written as S.M.A.R.T. objectives.

Please review the information and let me know if you have any questions or would like further information. I am prepared to provide this information to the assembly again at a later date if there is an opportunity to schedule a workshop to discuss strategic planning in more detail.

Thank you for the opportunity to present this information to you.

Sincerely,

Brenda Josephson, EA, MBA specialism in Strategic Planning

The Strategic Planning Process

Presented by:

Brenda Josephson, EA, MBA with specialism in Strategic Planning

January 26, 2016



Strategic planning is a continuous process that takes place in a complex and ever changing environment.

It requires continuous environmental scanning and updating of the strategic process.

The process includes articulating the mission & vision, identification of objectives, developing guidelines for dealing with the unexpected, and effective allocation of resources for controlled implementation of strategies.

Feedback must occur on a continuous basis and updating of the strategies and goals must occur.

Change management is one of the most problematic areas of strategy implementation.



The Process of Strategy and Decision Making

- ▶ Interpret the current situation.
- ▶ Form expectations about the future.
- ▶ Act according to guiding principles.

Questions to Ask

What are we trying to achieve?

How well are we performing?

What should we be doing in the future?

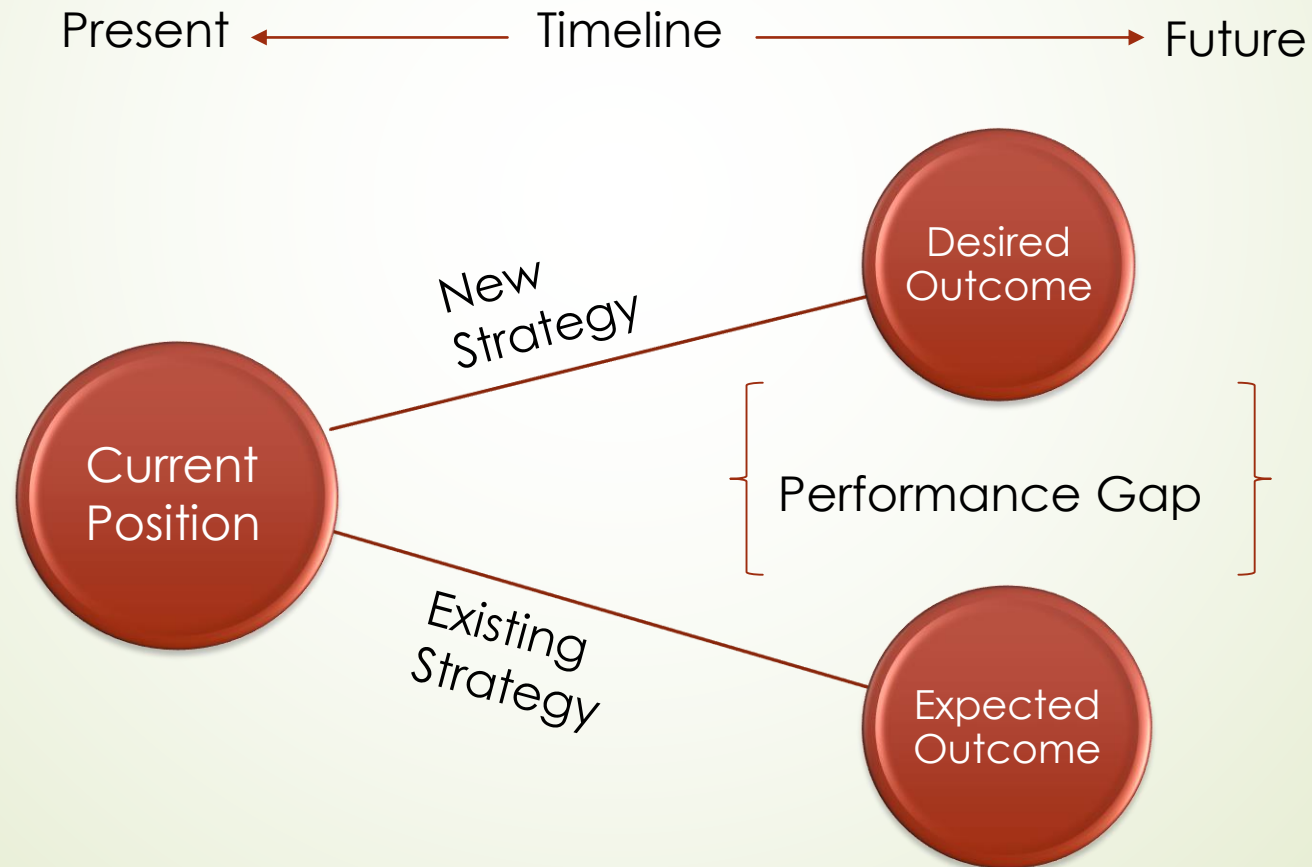
How can we achieve successful change?

- ▶ The mission statement is an important dimension because it provides a general focus for organizational activities.
- ▶ The vision provides a long-term view of what the organization is about.
- ▶ The guiding principles set the environment for decision making.
- ▶ In order for objectives to serve a useful function they need to be logically thought out.
- ▶ Objectives with measurable performance targets provide accountability towards the stated vision.
- ▶ Feedback will continually cause a reevaluation of predictions and reassessment of the strategies.
- ▶ The strategic plan must be revised as situations change. Effective planning involves a 'learning organization' which is able to adapt to change instead of ignoring it.

Performance Gap Analysis

There are two steps in identifying a performance gap.

- 1) Decide what the desired future outcome is at a specified time in the future.
- 2) Analyze the outcome that is expected to occur in the future if no changes to strategy are made.





Credible Objects

- ▶ There is no point to setting objects that stakeholders do not believe can be achieved.
- ▶ Setting of realistic objectives is a dynamic process which is constantly under review.
- ▶ Unless an objective is specific, decisions and actions could be random because consequences would not matter.
- ▶ Objectives can not be immutable goals set in isolation, which is why the process model emphasizes feedback which makes it possible to adjust objectives in light of experience and the changing conditions.

Effective Objectives are **S.M.A.R.T.**

- ▶ **S**pecific objectives are unambiguous and convey what outcome, action or behavior is required.
- ▶ **M**easurable objectives that are able to be evaluated using numbers, rates, frequencies or percentages.
- ▶ **A**chievable objectives that stakeholders believe can be reached.
- ▶ **R**elevant objectives that are linked to the strategy and achievement towards the mission and vision.
- ▶ **T**ime-bound objectives that can be measured against an agreed time frame.



Forecasting What Will Happen Next

Environmental Threat and Opportunity Profile

- ▶ Consider the environmental factors of: Macroeconomics, Microeconomics, Socioeconomics.
- ▶ The main reason for trying to understand what is happening in the economy is to provide a basis for predicting the future course of events. This amounts to predicting what is likely to happen.
- ▶ It is necessary to distinguish between events and influences which are outside the control of the organization and those which are the result of organizational decisions.
- ▶ It is important to be aware of changes in the economy which may present opportunities or pose threats.
- ▶ An understanding of how the economy operates makes it possible to understand and interpret predictions.

The P.E.S.T. Analysis

Identification of a range of other relevant factors, and an analysis of their relationships can provide important insights.

- ▶ **Political:** Consider changes in the political climate which can have far reaching implications.
- ▶ **Economic:** Consider relevant macroeconomic factors.
- ▶ **Social:** Consider changes in demographic composition and social norms.
- ▶ **Technological:** Continuous changes in technology occur, but it can also occur in short bursts and may have fundamental implications.



Structuring Rational Choices

S.W.O.T. Analysis

Strengths & Weakness,

Opportunities & Threats

- ▶ Environmental threats & opportunities and community strengths & weaknesses are combined to identify where matches occur between the two.
- ▶ SWOT Analysis is an essential first step in assessing what needs to be done to reach goals and to capitalize on strengths and opportunities.
- ▶ A Strategic Advantage Profile is developed using the SWOT analysis.
- ▶ The process of strategy is continually evolving because of changing circumstances.
- ▶ Due to changing circumstances the time always comes when a major strategy decision needs to be taken which involves a significant change from previous strategies.

Are Decisions Rational?

- ▶ Once the strengths & weakness, opportunities & threats (SWOT) have been analyzed development of the 'big picture' and generic strategies of expansion or retrenchment occurs.
- ▶ The benefit of the SWOT analysis is that it identifies where we currently are and it provides a framework for thinking about what might be in the future.
- ▶ Rationality has to be seen in the context of what is possible in the real world, rather than what might be done in an ideal world.



Bounded Rationality & Satisficing

Bounded Rationality

Individual decision makers may not have sufficient knowledge or information processing power to optimize choices in any given situation due to the fact that they work under three constraints

- 1) **Information Available** – only limited, often unreliable, information is available regarding possible alternatives and their consequences.
- 2) **Cognitive Abilities** – the human mind has limited capacity to evaluate and process the information that is available.
- 3) **Time Constraints** – limited amounts of time that is available to analyze information and potential options prevents the ability to make fully informed decisions.

Satisficing

Due to the limits of bounded rationality decision makers can fail to strive for the best-possible solution.

- Satisficing occurs when decision makers aim to achieve only satisfactory results because the satisfactory position is familiar, hassle-free, and secure.
- This is opposed to making the best-achievable result. When satisficing occurs the search for solutions is stopped at satisfactory solutions rather than striving for the best-possible solution.
- Opportunities for effective decision making is reduced by limiting:
 - 1) The information that is available.
 - 2) Conference with additional individuals.
 - 3) The time available to make the decision.



Avoiding Groupthink

What is Groupthink?

- ▶ Groupthink occurs when individual decision makers are reluctant to express their own opinions and offer options. The desire for group consensus overrides people's common sense desire to present alternatives, critique a position, or express an unpopular opinion. The desire for group cohesion effectively drives out good decision making and problem solving.
- ▶ In order to avoid Groupthink it is important to have a process in place for checking the fundamental assumptions behind important decisions, for validating the decision making process, and for evaluating the risks involved.

How can Groupthink be avoided?

Make sure that the following occurs when making significant decisions:

- ▶ Explore objectives.
- ▶ Explore alternatives.
- ▶ Encourage ideas to be challenged without reprisal.
- ▶ Examine the risks if the preferred choice is chosen.
- ▶ Test assumptions.
- ▶ Re-examine initial alternatives that were rejected.
- ▶ Gather relevant information from outside sources.
- ▶ Process information objectively.
- ▶ Have at least one contingency plan.



Principal-Agent Problem

- ▶ The principal-agent problem occurs when an individual agent acts on their own personal objectives (including maximization of power, wealth, ambition, desire to avoid confrontation, etcetera) instead of pursuing the best interests of the organization.
 - ▶ Agents are empowered to carry out certain functions, and then are left free to determine how they are to be achieved.
 - ▶ The absence of controls and monitoring of results allows for an opportunity for misallocation of resources.
 - ▶ The individual agent has an incentive to conceal the fact that objectives have not been achieved, and will possibly attempt to ascribe the unsuccessful outcome to other factors.
- ▶ The root cause of the principal-agent problem is asymmetric information because **the agent always has more information than the principal.**
 - ▶ The misallocation of resources can be compounded by invoking the efforts of accountants and other specialists in attempting to find out what has gone wrong, while **the problem really lies with the lack of controls, effective monitoring, and failure to hold agents accountable.**




Generic Strategic Choices

- **Stability** – Maintaining the status quo.
- **Expansion** – Increasing services.
- **Retrenchment** – Downsizing, delayering and restructuring for a more efficient organization.
- **Combination** – Use of a combination of Stability, Expansion, Retrenchment to meet specific goals.

Generic Strategy is a means, while performance is the end.

The process of strategy is continually evolving, and because of changing circumstances no particular strategy is appropriate for all times. The time will always come when a major strategy decision needs to be taken which involves significant change from previous strategies.



Example of Context for Generic Strategy of Retrenchment

The following quote is from the Proposed Budget for Petersburg, Alaska

“For the upcoming FY 2015/2016 Budget year, the staff approached the development with the knowledge that future funding from the State of Alaska and the Federal Government would be less than in past years. Borough Department Heads were encouraged to identify opportunities to reduce spending and in some cases, challenge the need for services currently provided. It is expected that in future years, the Borough will need to address the need to eliminate some services in order to maintain a balanced budget. I have encouraged Department Heads to begin the process of identifying where such changes could be made if it becomes necessary.”

Stephen Giesbrecht, Borough Manager

Petersburg, Alaska

February 2, 2015



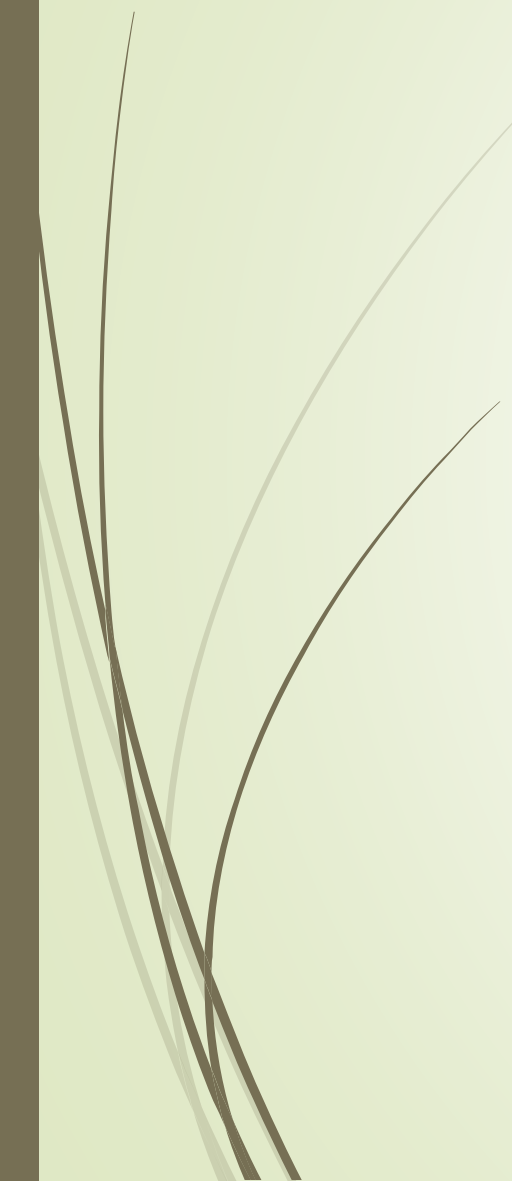
Implementation



- ▶ It is important to note that strategic planning is a process and is not necessarily accompanied by a detailed set of plans.
- ▶ The temptation to translate a generic strategy into a set of procedures and well defined goals may be counter-productive because it robs the organization of the ability to adapt to changing circumstances; feedback and continuous reaction are important elements of the process model.
- ▶ Even a vague concept of where the organization is headed and the strategy it has selected to achieve its objective has implication for how resources are allocated and monitored.
- ▶ A strategic plan refers to the perception of the strategy rather than to a plan in a formal sense.
- ▶ Guidance for the strategic plan is laid out in a simple summary that establishes the mission, vision, guiding principles, and focus areas and goals.



Resource Allocation

- Resources must be aligned with the strategy and goals.
 - Reallocation of resources involves changing what people do.
 - Critical success factors identify what must occur in order to ensure that the strategy has a chance of coming to fruition.
 - Budgeting must be conducted in a manner that allocates the scarce financial resources in a manner that leads to effective implementation of the plan.
- 



Evaluation and Control



- The strategic planning approach is based on expectations.
- It is necessary to measure and evaluate actual performance to find out if the expectations are being fulfilled.
- When components of the plan have been made explicit, the plan provides a benchmark that allows comparison to actual outcomes so that the differences can be investigated.
- Strategic controls use a combination of measurable and subjective criteria that enable judgements to be exercised in light of changing circumstances.



Feedback

Strategy occurs in a dynamically changing environment. It is not sufficient to scan the environment and monitor performance, it is necessary to be able to act on information and changes as they occur.

- ▶ Communication Channels – Effective communication channels must be developed to disseminate information both upwards and downwards.
- ▶ Ability to Adapt – The organization must develop a culture that allows the ability to cope with strategic change required in a dynamic environment.
- ▶ Learning Organization – It is crucial that the organization is able to learn from and build on experience. It is about more than whether the individuals concerned learn how to react to events, but whether the organization as a whole capitalizes on the learning of the individuals.



The Strategic Planning Process

- ▶ Who Decides to Do What – Objectives are set on the basis of a vision of the organization's future. The performance gap is used to determine where we are in the present, where will we be in the future if there is no change, and where is our desired future outcome.
- ▶ Analysis and Diagnosis – Identification of strengths & weaknesses and opportunities & threats must occur on a continuous basis.
- ▶ Choice – Strategic choice is made based on the performance gap of desired future outcomes. Current information requires decision makers to question whether a past strategic choice is still appropriate.
- ▶ Implementation – Resource allocation must be consistent with strategy. Components of the plan must be made explicit to allow for benchmarking and comparison to actual outcomes so that the differences can be investigated.
- ▶ Feedback – Effective strategic planning requires continuous feedback. An organization must have effective communication channels, that allows the organization to adapt in an ever changing environment. A culture must be developed that fosters an learning environment that allows the organization to capitalize on the learning of individual stakeholders.



The Big Picture

- ▶ The strategic planning process is used to evaluate the current status of the organization and estimation of future outcomes with the intent to effect positive change.
- ▶ Strategy can be boiled down to getting the big picture right, and directing resources consistent with obtaining the organizational vision.
- ▶ The temptation to translate a generic strategy into a set of procedures and well defined goals may be counter-productive because it robs the organization of the ability to adapt to changing circumstances; feedback and continuous reaction are important elements of the process model.
- ▶ The strategic plan can be summarized in one or two pages that establishes the mission, vision, guiding principles, and community focus areas and goals. The plan provides guidance to be considered while undertaking decision making.
- ▶ Following are two pages with an example strategic plan for the Haines Borough.

Example Strategic Plan

Haines Borough Alaska

PURPOSE

The purpose of this document is to focus our efforts on priorities that are consistent with the mission and vision of the Haines Borough. This helps direct borough resources in the near term and will change over time as we review our progress and priorities. Regular review is an integral part of this plan and reports to the assembly and community will be made on a regular basis.

OUR MISSION

Haines Borough strives to provide excellent municipal services to the community in an efficient, cost-effective and cooperative manner.

OUR VISION

Haines Borough will be an inclusive, thriving and sustainable community. We will embrace change while respecting the rich heritage of the area. We will develop a durable economy that recognizes the rights of all citizens and respects the environment while fostering opportunities for current and future generations.

GUILDING PRINCIPLES

The Haines Borough will work to achieve common goals, to support individual rights, to form a more responsive government, and to secure maximum control of our own local affairs. The people have established a government that guarantees to the people of Haines Borough the following rights that are in addition to the rights guaranteed by the Constitution of the United States of America and the Constitution of the State of Alaska:

- ▶ The right to a government of the people, by the people and for the people, which safeguards our diversity, harmony between neighbors and respect for the environment;
- ▶ The right to access a well maintained public record of all actions of public officials in accordance with the Charter of Haines Borough, so that the citizens of the borough may retain control over the affairs of their government;
- ▶ The right to enjoyment of private property, chosen lifestyles, traditions, employment, and recreational activities without unnecessarily restrictive or arbitrary laws or regulations.

HAINES BOROUGH FOCUS AREAS AND GOALS

Please note: This area of the plan should provide a few focus areas with goals that are stated in S.M.A.R.T. terms. S.M.A.R.T. goals are Specific, Measurable, Achievable, Relevant, and Time-bound.

The following “goals” have been referenced in the Comprehensive Plan and could be used as a starting point for establishing S.M.A.R.T. goals:

- The right to access a well maintained public Ensure that communications among the Borough, citizens and various land managers is clear. Work to foster productive and mutually beneficial relationships.
- Achieve a strong, diversified local economy that provides employment and income for all citizens that desire to work while protecting the health of the environment and quality of life. Build on local assets and competitive advantages to create economic opportunity.
- Provide a safe, convenient, reliable, and connected transportation network to move goods and people to, from, and within the Haines Borough. Aggressively maintain road, port, and harbor facilities to maximize public investment, enhance public safety and access, and provide economic opportunity.
- Build infrastructure and land development to provide an adequate supply of land for commercial and industrial development, varied residential living, and diverse recreational opportunities.
- Support development of renewable and non-renewable resources within the Haines Borough.
- Aggressively maintain the Haines Wastewater Treatment Plant to prolong its capacity to operate in a manner that complies with federal and state regulations.
- Develop renewable energy sources sufficient to meet current and future year-round residential, institutional, commercial, and industrial needs in the Haines Borough.
- Continue to keep crime rates low and provide for effective police, fire, and emergency medical services.
- Create and sustain an educated community with the skills and knowledge to take advantage of opportunity and thrive in the 21st century.



EXAMPLE STRATEGIC PLAN HAINES BOROUGH ALASKA

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Example Strategic Plan Haines Borough Alaska

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Haines Borough School District

STRATEGIC PLAN



PURPOSE

The purpose of this document is to focus our educational efforts on priorities that are consistent with the mission and beliefs of the district. This helps direct our resources in the near term and will change over time as we review our progress and priorities. Regular review is an integral part of this plan and reports to the board and community will be made on a regular basis.

OUR MISSION

“To graduate life-long learners with the confidence, skills and knowledge to realize their aspirations and contribute to a changing world.”

OUR VISION

We envision Haines Borough School District students who engage in their learning, participate in their community, reach high levels of achievement, and graduate prepared for their futures.

GUIDING PRINCIPLES

- We believe in the value of the individual. Every student is unique, and is treated with respect and dignity.
- We believe high standards and expectations are essential for student success. A rigorous curriculum challenges students.
- We believe each student can learn and be successful. Differentiated learning opportunities are integral to all instruction.
- We believe in the education of the whole child and in providing a diverse learning environment.
- We believe in the value of community, and celebrate the diversity among us. Education is the responsibility of the student, family, school and community.
- We believe learning is a lifelong process. Education requires honest communication, assessment and continuous improvement.
- We believe a healthy school environment is essential for the success of our students. Students thrive in a learning environment that is healthy, safe, engaging and purposeful.

DISTRICT FOCUS AREAS and GOALS

ACADEMIC SUCCESS

HBSD will deliver relevant, rigorous, standards-based curriculum in conjunction with a differentiated and flexible approach to ensure that every student stays engaged, reaches high levels of achievement and graduates or achieves an individualized learning plan.

- 1.1 Student Achievement: All students will meet or exceed proficiency levels in reading by the end of 3rd grade and in math by the end of 5th and 8th grade. They will thereafter maintain growth.
- 1.2 Student Proficiency: All students will be held to strong academic standards and will meet or exceed State and national norms.
- 1.3 Student Assistance: Student academic progress will be closely tracked and timely individualized assistance provided when needed.
- 1.4 Student Engagement: Staff will utilize research-based strategies to motivate and engage all students.
- 1.5 Graduation: All students will graduate or achieve an individualized learning plan.
- 1.6 School Innovation: Technology, the Internet, and distance education will be utilized to enhance instruction and increase learning opportunities.

ORGANIZATIONAL EXCELLENCE

HBSD will consistently foster a culture of innovation, attract and retain highly effective employees, and support an infrastructure that promotes a responsive academic environment.

- 2.1 Infrastructure: Provide professional development in computer-related and Internet technologies to assist teaching and enhance student learning.
- 2.2 Resource Allocation: Develop and implement a plan that allocates resources based on alignment with the strategic plan and instructional outcomes.
- 2.3 Attract and Retain: Attract high-quality candidates through sustaining an organizational culture that promotes growth, collaboration, and innovation. Retain and develop high quality staff by implementing an evaluation system that improves educator expertise and student performance.

COMMUNITY AND FAMILY ENGAGEMENT

HBSD will partner with parents and the community to promote shared values and responsibility for student education.

- 3.1 Parent and Family Engagement: Support an effective school advisory council that provides input to school board, students, teachers and administration and strengthens the school community.
- 3.2 Direct Communication Strategy: Implement a strategy to promote open communication and enhance community involvement.
- 3.3 Business Partnerships: Develop business partnerships to explore career pathways and promote education within the community.
- 3.4 Home School Outreach: Enhance the Haines Home School to serve the needs of families and provide high quality educational support.