Strategic Planning for Finance Departments

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About Fountainworks

Who We Are

Fountainworks was founded in 2003 to help public leaders tackle big challenges. More than 15 years and 500 projects later, we’re going stronger than ever.

From developing new initiatives to facilitating conversations with stakeholders to grappling with the demands of leadership, we serve as trusted partners and advisors in generating public impact.
Poll Everywhere

Does your organization have a strategic plan?

Does your finance department have a strategic plan?
“Let our advance worrying become advance thinking and planning.”

- Winston Churchill
Defining Strategic Planning

What is Strategic Planning?

Strategic planning is an organizational management activity that is used to set priorities, focus energy and resources, strengthen operations, ensure that employees and other stakeholders are working toward common goals, establish agreement around intended outcomes/results, and assess and adjust the organization's direction in response to a changing environment.

What is a Strategic Plan?

A strategic plan is a document used to communicate with the organization the organizations goals, the actions needed to achieve those goals and all of the other critical elements developed during the planning exercise.
Strategic & Business Planning

**Strategic planning:**
- Sets the “big” organizational direction
- Politics may play a role
- Should provide focus, not too macro or micro
- Is not just an exercise, need to keep alive
- Guides the Manager’s workplan and budget development process

**Business planning:**
- Moves from the “big” vision to the plan for execution
- Must include measures to monitor progress
- Should identify resources to achieve plan
- Capital Improvement Plan, Facilities Maintenance Program, Economic Development Plan, or Departmental Plans are examples of business planning
Why Strategic Planning?

Strategic and business planning should be seen as the first step of an organization’s broader management framework.

Planning sets the stage for what follows:
- Budgeting
- Other resource allocation
- Delivery of services
- Measurement
- Evaluation

Planning is Tied to Results
Strategic Planning Asks Three Questions

1. Who are we now?
2. Who do we want to be?
3. How do we get there?
What are some typical goals of a city or county strategic plan?

- Prosperous Economy
- Safe and Secure Community
- Healthy Community
- Livable Neighborhoods
- Well-Managed Government
- High Performing Workforce
How does a Finance Department support organization-wide goals?
Operating a government & planning at the same time

https://www.youtube.com/watch?v=L2zqTYgcpg
Performance Measures

UNDERSTANDING HOW YOU ARE DOING
How do coaches know if they are successful?
How does your organization know if it is successful?

Is the incidence of crime declining?

Is the cost of garbage collection competitive?

Are we responding to fire alarms quickly?

Are communicable diseases on the rise?

Are residents satisfied with our services?
How does your department know if it is successful?

- Payment processing time
- Error Rate
- Audit Findings
- Fund Balance
- Bond Rating
Creating the Strategic Plan
Review your History
The Strategic Plan

- **Vision, Mission**: The vision statement articulates a long-term view of the ideal future for the Town. The mission statement describes why the Town exists and what it will do to help achieve its vision.

- **Goals**: Goals for each of the strategic issues are positive and end state oriented (i.e. it is a goal rather than a strategy).

- **Performance Measures**: Key Performance Measures provide an indication of how well the goals are being met.

- **Action Agenda**: Targets for Action describe in detail the steps that will be taken to achieve each of the goals.
Vision, Mission
Goals
Performance Measures
Action Agenda

Board Responsibility

Staff Responsibility
Celebrate Accomplishments

- Closing of Business 40
- Food Policy Council
- Downtown Revitalization
- Affordable Housing Needs Study
- Bond Referendum
- Redesign of Bus System
- Employee Salaries/Market Pay
- Strong Employee Team
- Public Safety-Community Responses are Positive
- Neighborhood Improvements
- Development Projects
October 1993 Laguna Beach Fire

Flames 50-60 ft. at 2000 Degrees (F)

Structural Engineer
- 1/4 inch thicker Stucco
- 5/8 inch Wallboard
- Dual - Pane Windows
- Fire Resistant Polyurethane & Sand Covered Products for Decks
- Sprinkler/Drip System for House Roof & Walls

- Extra Cost = $18,000
“Nobody succeeds beyond his or her wildest expectations unless he or she begins with some wild expectations.”

-Ralph Charell
Decision Filters

DEALING WITH EMERGING PRIORITIES
Stick with your established priorities…

- **Develop annual budget and work plans to support priorities**
- **Regular status reporting**
- **Frequent reminders of what your priorities are**
- **References to strategic plan priorities in Board Agenda items**
- **Incorporate priorities into employee culture and performance**
Stick with your established priorities, *but be prepared for emergent issues*.

**Annual review of priorities**
- Most new ideas can be referred here
- Opportunity to update and amend
- Allows for changes to annual budget and work plan

**Anticipate how you will address new ideas or opportunities that arise off-cycle**

**Develop Decision Filter Criteria**
- Use to guide off-cycle decisions
- Not set in stone, but used as a guide
Sample Decision Filter Criteria

- Alignment with Town’s vision, mission, focus areas and objectives
- Cost to implement
- Staff time required
- Return on Investment
“Culture eats strategy for breakfast”

– Peter Drucker
“Culture eats strategy for breakfast” – Peter Drucker
Culture is critical

Understanding your organizational culture is a critical first step in developing and implementing a strategic plan.
Click on the Pac Man if Culture is eating your strategy; Click on the ghosts if strategy is part of your culture.
What is culture?

Culture begins with your purpose – why you are in business – it determines your brand

“Gallup finds that employees and teams who align with their organization’s culture consistently perform better on internal key performance metrics than those who do not” – Clifton J. & Harter J.

Buy-in is key in integrating strategy into your organization’s culture
Envision your ideal strategic culture

Select a magazine picture that represents what your organization would look like if you had a strategic plan that drove a decision-making culture.

Give your picture a title that explains the ideal culture.
What are some barriers to achieving the ideal culture?
What is one action you will take back to your organization to strengthen your culture of strategy?
How does your organization use its strategic plan?
Thank you for coming!

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