

Strategic Planning Guidance

FY 2017 - 2019



Office of State Budget and Management
and
Department of Information Technology

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1. Introduction

As part of Governor McCrory's ongoing effort to promote efficiency in North Carolina state government, the Office of State Budget and Management (OSBM) and the Department of Information Technology (DIT) are consolidating requirements for the submission of agency strategic plans and agency IT plans for the FY 2017-2019 Biennium. Many agencies have already been engaged in the development or revision of their internal agency strategic plans to support the Office of State Human Resources' performance management process (NC VIP), and this request should build on those efforts to aid in the development of the Governor's Recommended Budget.

For the 2017-2019 Biennium agencies are required to submit a strategic plan that combines both business and IT planning. Strategic planning is a key part of the budget development process and should be used to inform agency budget requests. IT planning is also an integral part of this process as the SCIO is statutorily required (G.S. 143B-1330) to submit a State IT Plan to the General Assembly including information on anticipated requirements, inventory of major projects, future needs, funding information, and other information required for analysis and planning. Agency budget expansion requests must clearly support goals in the agency's strategic plan, and IT projects must be included in the IT plan in order to be considered in the FY17-19 budget development process.

Ultimately, agency strategic plans will establish agency priorities, determine appropriate metrics, and provide direction as divisions and departments within the agency establish their goals. The agency strategic plan ensures alignment between global agency goals, program goals and initiatives, IT planning, and individual performance expectations and results. By aligning these planning efforts, agencies can build a comprehensive strategic framework for guiding decision-making and aligning resources (budget, human capital, and technology) to achieve a common mission.

2. Guidance

2.1. What is Strategic Planning?

Strategic planning is a long-term, future-oriented process of assessment, goal setting, and decision-making. A strategic plan defines what an agency will do over the next three to five years and how it will achieve its desired results. At its core, strategic planning is about influencing the future rather than simply preparing or adapting to it.

2.2. The Planning Process

The planning process in North Carolina state government is driven by the four questions below:

1. *Where are we now?*
2. *Where do we want to be?*
3. *How do we get there?*
4. *How do we evaluate our progress?*

These basic questions prompt agencies to assess their current environment, develop what they wish to achieve, determine how to achieve it, and track progress along the way. This group of questions also treats the planning process as a continual cycle where changes can and should be made as new issues emerge.

The planning process should also incorporate a broad range of perspectives from across an agency. An agency's strategic plan should not be the product of an individual or a small group of individuals; rather, a collaborative effort that is driven by the top executive with contributions and support from all employees.

2.3. Mission Statement

The mission statement is the common thread that describes an agency's basic purpose and concisely identifies what the agency does, why, and for whom. It reminds everyone, including the Governor, legislators, and the public, of the unique purposes promoted and served by the agency and provides a clear answer to the question, "Why do we exist?"

An agency should review its mission statement and determine if revisions are required. It may be necessary to develop a new mission statement; however, an agency will most likely only need to make moderate revisions to its current mission (or no changes at all) since mission statements often remain appropriate for long periods of time.

The mission statement should be easy to understand and should answer the following questions:

- Who are we as an organization and who do we serve?
- What are the basic purposes for our agency's existence?
- What makes our purpose unique?
- Is our mission consistent with the agency's enabling statute?
- What do we hope to achieve?

2.4. Vision Statement

A vision statement is a coherent and powerful statement of what an agency can and should be in the future. A vision statement articulates a view of a realistic and creditable future for an agency and helps form the foundation upon which to develop a strategic plan. It helps agency employees articulate all of the possibilities that are available, resulting in a distinctive path that no other organization is likely to have.

Note: A mission statement differs from a vision statement in that a mission statement tells who or what an agency is now and a vision statement tells what an agency hopes to become in the future.

There are many key elements of quality vision statements, which include, but are not limited to, the following:

- Setting high standards and ideals
- Identifying a clear purpose and direction
- Strengthening enthusiasm and commitment
- Promoting change
- Reflecting uniqueness

An effective way for an agency to develop a vision statement is to answer the following question: What would our agency look like in ten years if we are successful between now and then? The answer should not be a description of the methods that were used but rather a description of what the agency has become. Visioning is not an easy process. It takes time and energy by all agency staff. The end result, though, portrays an image of the future and sets an ideal for an agency.

2.5. Agency Values

Values are the principles that govern behavior within an agency. They effectively communicate to employees how to interact with each other and guide how to conduct business and execute day-to-day operations. Consistent with an agency's mission, vision, and goals, values should be integrated into all levels and functions of an agency to influence behavior, provide a moral compass, and help employees make tough decisions.

Effective values are clear and succinct and are widely and frequently communicated. They also remain consistent and relevant over long time periods and provide substantial guidance for carrying out individual responsibilities. Values are typically listed as words, but phrases or sentences that describe the value may help explain to employees and others why the values are important. While many values may be applicable to define an agency's work and culture, it is recommended to keep the number of values to a minimum; establishing four to eight core values is usually sufficient. After values are finalized and approved, they should be widely visible throughout an agency and re-affirmed by leadership and management on a continuous basis.

Examples of values include:

- Act Ethically - Do what is morally right.
- Be Respectful - Hold others in high esteem.
- Teamwork - We will succeed through cooperative, effective communication, trust, and promotion of new ideas.

2.6. Governor's Guidance

Governor's Vision

Improve the **economy**, strengthen our **education** system, and create a more **efficient**, customer-service oriented state government.

Priorities for supporting this vision are:

Promote policies that reduce financial burden on job creators and invest resources to grow businesses and help put people back to work.

Invest in education and our teachers to ensure our students gain the skills they need to succeed in life and form the workforce of the future.

Reform State government to better serve the people of North Carolina at a cost that respects the taxpayer.

2.7. SCIO Guidance

DIT Vision

A performance-driven, transparent and secure IT organization with an unyielding commitment to connecting people, resources and partners.

DIT Mission

To lead, partner and facilitate in order to provide easy, cost-effective government services to the citizens of North Carolina.

DIT Goals

Strategies focus organizations to achieve complicated goals or objectives. With an eye to the future while sustaining current foundational requirements, the SCIO has outlined five goals for Our IT:

Optimize the State's IT investment to operate more efficiently

Unite business and IT to meet the needs of the citizens through the innovative use of technology

Revitalize our IT workforce by attracting and developing a diverse community of IT professionals who are engaged and motivated to push boundaries to foster positive change

Invest in the security of the State's applications and infrastructure to mitigate the risk to the confidentiality, integrity, and availability of citizen data

Transform the way the State conducts business through the delivery of reliable and accessible technology and data services

2.8. Establishing Goals and Objectives

Goals are broad statements of what an agency wants to achieve over a long period of time. They stretch and challenge an agency while being realistic and achievable, and help provide answers to the question, “Where do we want to be?” **Objectives** are clear targets for specific action that define where an agency will be by a particular date. Linked directly to agency goals, objectives are specific, quantified, and time-based statements that outline measurable steps toward achieving an agency’s mission. Objectives represent the extent to which agency goals will be achieved at the end of the time period covered by the strategic plan.

The development of agency goals is one of the most critical aspects of the planning process because goals chart the course for the agency. The goal development process begins to focus the agency’s actions toward clearly defined purposes. Within the scope of the stated mission, goals specify where the organization desires to be in the future through broad, issue-oriented statements.

Goals should be clear and focused, address the primary external and internal issues facing the organization, and be easily understood by the public. Although there is no established limit, the number of goals the agency develops should be kept to a reasonable number in order to clearly establish the agency’s direction and define a set of manageable priority issues. While developing goals, the agency should begin identifying the desired results of its efforts and considering measures of success that will demonstrate accomplishment of those results.

During the goal development process, an agency should answer the following questions:

- Are the goals in harmony with the agency’s mission and will they help fulfill the agency’s vision?
- Do the goals align with the vision and priorities of the Administration?
- Do the goals provide a clear direction for agency action?
- Do the goals reflect agency priorities?

Objectives are measurable, time-based statements of intent that should be derived from and directly linked to a stated goal. Objectives should help to prioritize resource allocation and shape the results of agency actions. It is important to be Specific, Measurable, Achievable, Realistic, and Timely (SMART) when developing key objectives. The following questions should help an agency assess its objectives:

- Is the objective clearly related to the stated goal?
- Does the objective clearly state what the agency intends to accomplish?
- Does the objective have specific targets and time frames? Can progress toward completion of the objective be measured?
- Is the objective aggressive and challenging, yet realistic and attainable within available resources?
- How does it compare with the objectives of other states?
- Will someone unfamiliar with the program understand what the objective means?

2.9. Measuring Success

Defining what constitutes “success” is key to developing and implementing a plan effectively. In order to track progress towards the goals outlined in a strategic plan, the objectives presented should have quantifiable *measures of success* that will inform whether goals have been accomplished. Measures should be useful for answering the following questions:

- Did we achieve the results we expected or did it produce results we didn’t want or expect?
- Should our strategy or approach be changed?
- Should the initiative continue or not?

Measures are generally quantitative, though some may be qualitative. Ideally measures should include outcomes when possible. A quantitative outcome, for example, would be a 2% or greater reduction in transportation-related fatalities. For IT, an example would be a 20% increase in hosted virtual desktop use over the next two years. In contrast, completing and submitting a strategic plan by October 31 is a deliverable rather than an outcome, and as a result can be measured but cannot be quantified.

Most initiatives will require a mix of measures, both quantifiable and non-quantifiable, short-term and long-term. There are many different type of measures, some of which are described below, and a combination of these measures types may be needed to inform decision-making. Please consider secondary and tertiary outcomes, particularly if those outcomes will provide efficiencies for the state.

While the types and definitions of performance measures are not universal, the table below provides definitions and examples for the most common types of measures.

Type of Measure	Definition	Examples
Input	Value of resources used to produce an output.	<ul style="list-style-type: none">• Dollars budgeted/spent• Staff hours used
Output	Quantity or number of units produced.	<ul style="list-style-type: none">• Eligibility interviews conducted• Library books checked out• Purchase orders issued• Patients transported
Efficiency/Process	Inputs used per unit of output (or outputs per input).	<ul style="list-style-type: none">• Cost per appraisal• Plans reviewed per reviewer
Quality	Degree to which customers are satisfied with a program, or how accurately and timely a service is provided	<ul style="list-style-type: none">• Error rate per data entry operator• Frequency of repeat repairs• Average days to address a facility work order
Outcome	Actual impact or effect on a stated condition or problem. Outcome focuses on the ultimate “why” of providing a service.	<ul style="list-style-type: none">• Reduction in fire deaths/injuries• Percent of job trainees who hold a job for more than six months• Percent of juveniles not reconvicted within 12 months

3. Agency Strategic Business Plan Outline and Guidance

3.1. Agency Strategic Plan – Quick Reference Guide

The following chart provides a recommended template for an agency strategic plan's *quick reference guide*. This chart should be included in the front of your agency's strategic plan as a reference tool. Agencies may vary from this template, as long as the same basic information is provided.

See attached document for a complete agency strategic plan template.*Quick Reference Guide Template:*

Goal 1 - should clearly support the agency's vision and align with the goals of the Administration		
Objective 1.1 - are measurable, time-based statements of intent that should be derived from and directly linked to the corresponding goal.		
1.1.1 - Measure of Success will clearly define the method and unit of measurement.	Initiative	Name of the Initiative / Strategy for accomplishing the objective.
Brief Description of efforts that will be employed to accomplish the objective and identify the organizational unit within the agency that is accountable for implementation along with any other pertinent information (e.g. new funding needs).		

Completed Quick Reference Guide Example:

Goal 1 - Make Transportation Safer		
Objective 1.1 - Reduce fatalities by at least 2 percent		
1.1.1 – Fatality rate/count	Strategy	<i>Employ evidence-based enforcement activities</i>
<i>Using enforcement mechanisms X, Y, and Z has been shown to decrease the rate of fatality incidents. We will record these activities and compare results to the measure.</i>		
Objective 1.2 – Reduce the crash rate by 5% over the previous fiscal year baseline		
1.2.1 – Crash rate/count	Strategy	<i>Utilize sound engineering principles & practices to promote safety.</i>
<i>New techniques in A, B, and C have been used to great success. Unit X will be tracking this measure as the techniques are applied.</i>		
Goal 2 – Provide Great Customer Service		
Objective 2.1 – Decrease response times by 5 percent from last fiscal year		
2.1.1 – Response time from point of notification to point of arrival on scene.	IT Initiative	<i>Roll out new software system to manage incident reports</i>
<i>The new system will increase the capacity for staff to manage a large number of incidents and provide real-time response rate data.</i>		
 In the template, click to see the drop down menu for different options you can select for types of initiatives		

3.2. Agency Strategic Plan Outline

The following outline provides a recommended structure for agency strategic plans. What differentiates this section from the previous *quick reference guide* is the opportunity to go more in depth and provide the justifications and linkages with more detailed descriptions.

- ✓ *Goals* should clearly support the agency's vision and align with the goals of the Administration.
- ✓ *Objectives* are measurable, time-based statements of intent that should be derived from and directly linked to the corresponding goal.
- ✓ *Measures of Success* should clearly define the method and unit of measurement for evaluating progress towards your objectives.
- ✓ *Strategies and initiatives* should describe efforts that will be employed to accomplish the objective and identify the organizational unit within the agency that is accountable for implementation along with any other pertinent information (e.g. funding, milestones, and timelines).

See attached document for a complete agency strategic plan template. *Example:*

Goal 1 – Improve the reliability and connectivity of the transportation system.

Describe the goal. To which of the Governor's goals or priorities does this align?

1.1 Objective – Increase the percentage of time when travel times are met based on highway speed limits to 80 percent or greater.

Describe the objective(s) that support the goal.

1.1.1 Measure of Success – Percentage of time when travel times are met based on highway speed limits.

Describe the measures that will be used to evaluate progress.

Strategies/Initiatives – Implement new and improve existing traffic operations strategies.

Describe efforts that will be employed to accomplish the objective.

1.2 Objective – Repeat above format as needed.

Describe the objective(s) that support the goal.

1.2.1 Measure of Success – Repeat above format as needed.

Describe the measures that will be used to evaluate progress.

Strategies/Initiatives – Repeat above format as needed.

Describe efforts that will be employed to accomplish the objective.

4. Information Technology (IT) Plan Outline and Guidance

The following is the **required** template for the agency IT plan, which is now a part of the agency's strategic plan. The aim of this section is to provide the SCIO with all required information for the State IT Plan, but to also align IT goals, objectives, and initiatives with agency goals, the SCIO's goals, and the Governor's goals [as provided in this guidance document](#).

This Section Must Include:

- Any **existing or on-going** project or application with a cost >\$500,000 as **required** by G.S. 143B – 1330.
- **Any new or proposed IT projects** must be included in this plan (make sure to include details of the funding mechanism).
- Include as many items as necessary.

4.1. Information Technology Plan – Quick Reference Guide

The following chart is the template for an agency information technology plan's *quick reference guide*. This chart should be included in the front of your agency's IT plan as a reference tool.

Quick Reference Guide Template:

Goal	Objective	Initiative	Brief Description	Funding Mechanism	Anticipated Completion Date
Goal 1 <i>Should clearly support the Agency mission and/or align with the goals of the SCIO</i>	Objective 1.1 <i>Measurable, time-based statements of intent that should be derived from and directly linked to the corresponding goal.</i>	Initiative 1.1.1	<i>A description of the efforts to accomplish the objective.</i>	<i>Ex. Expansion request, federal grant, existing funds</i>	<i>Ex. FY2018</i>
		Initiative 1.1.2			
		Initiative 1.2.1			
	Objective 1.2	Initiative 1.2.2			
Goal 2	Objective 2.1	Initiative 2.1.1			
		Initiative 2.1.2			
	Objective 2.2	Initiative 2.2.1			
		Initiative 2.2.2			

4.2. Agency Information Technology Plan Outline

The IT plan template has six sections:

1. IT Vision, Mission, and Values
2. IT Goals, Objectives, and Measures of Success
3. IT Organizational Structure
4. Enterprise IT Opportunities
5. Major IT Projects
6. Accomplishments and Progress Review

When drafting the IT plan, keep in mind the following:

- ✓ *Goals* should clearly support the agency's mission and/or align with the goals of the SCIO.
- ✓ *Objectives* are measurable, time-based statements of intent that should be derived from and directly linked to the corresponding goal.
- ✓ *Measures of Success* should clearly define the method and unit of measurement for evaluating progress towards your objectives.
- ✓ *Initiatives* are efforts that will be employed to accomplish the objective. Identify the organizational unit within the agency that is accountable for implementation along with any other pertinent information (e.g. funding, milestones, and timelines).

Example:

Goal 1 – Improve Data Quality and Electronic Reporting. (NCCCS FY15-17 plan)

Describe the goal. To which of the Agency's and/or SCIO's goals does this align?

1.1 Objective – Establish a robust data system that provides accurate and accessible information that fosters a culture of data-driven decision making which addresses research questions and informs policies. (NCCCS FY15-17 plan)

Describe the objective(s) that support the goal.

Measure of Success – Reduce error rates in data reporting from the community colleges to the System Office to a level at or below 5%. (NCCCS FY15-17 plan)

Describe the measures that will be used to evaluate progress.

1.1.1 Initiative – Data Initiative.

Describe efforts that will be employed to accomplish the objective.

1.2 Objective – Repeat above format as needed.

Describe the objective(s) that support the goal.

Measure of Success – Repeat above format as needed.

Describe the measures that will be used to evaluate progress.

1.2.1 Initiative – Repeat above format as needed.

Describe efforts that will be employed to accomplish the objective.

5. Timelines and Submission

5.1. Timeline

Plans are due **October 31, 2016**. Submitted plans need to include the following parts:

1. Quick Reference Guide – see recommended format in the attached template.
2. Enterprise Opportunities Section - see recommended format in the attached template.
3. Detailed Strategic Plan – see recommended format in the attached template.
4. IT Plan – See REQUIRED format in the attached template.
5. Accomplishments and Progress Review – See REQUIRED format in the attached template.
6. Designate an agency point of contact for your Strategic Plan for any follow up questions.

Please note that items 4 and 5 must be submitted using the format provided in the template. If your agency is choosing to deviate from the recommended strategic plan template, please complete and attach these items using the format provided in the following template.

5.2. Where to submit

Please submit completed plans to both OSBM (Corey Petersohn, corey.petersohn@osbm.nc.gov and your agency's budget analyst) and DIT (Caitlin Mullen, caitlin.mullen@nc.gov).