Technical Assistance
to the Strengthening of Strategic Planning Capacities in Selected Ministries in Lebanon

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Report on Activity 2.2.

Review of the OMSAR Training Manual
Part 2: the Manual Strategic Planning

March 2015

1   Introduction

This manual on strategic planning is a practical guide for making strategic plans, operational plans and reporting for managers of public organisations in Lebanon.

It is for members of planning teams and managers of central departments in Ministries or Agencies operating at the national level. It may also be used by external coaches working with planning teams in those Ministries and Agencies. The manual may also be used at other levels of public administration. Hence we mostly speak about the 'organisation' and not about 'ministry' or 'agency'.

This manual has been prepared by the Technical Assistance Team of the EU funded project "Technical Assistance to the strengthening of the Strategic Planning Capacities in selected Ministries in Lebanon, supervised by OMSAR. It draws on the Guide "Strategic Planning for the Ministries and Public agencies in Lebanon, Guide Manual", prepared by Team International for OMSAR a year earlier, in April 2013. It further develops some thoughts touched upon in that manual and that needed elaboration, and it elaborates on practical steps during the preparation of plans and reports.

This manual aims to give guidance in applying strategic planning in a manner which is feasible and meaningful in the context of Lebanese governmental agencies in current state of development. Therefore with the manual goes a toolkit. This toolkit contains forms and questionnaires to be used during the preparation of strategic plans, operational plans and reports, together with analytical tools to be applied to information collected and to proposed plans of action. The manual refers to the toolkit and its instruments wherever relevant.

The manual builds on existing practices wherever possible. There may be no systematic planning practice in Lebanese Government, but initiatives to formulate plans, policies and strategies are being taken regularly. All resulting documents contain many valuable elements which can be used and should be used in the plans to be made. There is a reporting practice in Ministries which may be further developed into the format proposed in this manual.

The manual speaks about 'planning teams' and not about 'strategic planning units'. One reason for this is that it probably will take a long time before legislation will have been issued enabling to establish planning units across the board. Until such legislation is in place, practical arrangements will have to put in place to enable Ministries and Agencies to work on strategic planning. Another reason is that even if planning units are in place they cannot and should not work on their own but take the lead in forming a strategic planning team, thus involving all relevant parties. By nature strategic planning is also a participatory and organization building process!

2   Strategic planning, the main concepts

2.1.   What is strategic planning?

Strategic planning came in to use in corporations during the 1960s and has remained an important aspect of strategic management ever since. It is a responsibility of the management, and is executed by strategic planners or strategists, who involve many parties and research sources in their analysis of the organization and its relationship to the environment in which it competes. Later on strategic planning was introduced in government organisations at all levels.

Strategic planning is an organization's process of defining its strategy, or direction, and making decisions on allocating its resources to pursue this strategy. It may also extend to control mechanisms for guiding the implementation of the strategy.

Strategy has many definitions, but generally involves setting goals, determining actions to achieve the goals, and mobilizing resources to execute the actions. A strategy describes how the ends (goals) will be achieved by the means (resources).
The senior leadership of an organization is generally tasked with determining its strategy, but modern managers will involve all parts of his organisation in the planning process as participation of staff is seen as a precondition for a successful planning process and a successful implementation.

Strategic planning must be part of a total planning and control cycle. This means that the strategic planning process must consist of:
- Strategic planning, setting the general direction, the strategic goals, always at long term (3-4 years)
- Operational planning of the actions to be taken to achieve the results defined in the strategic plan, at a short term (one year)
- Control: periodically reporting on the results achieved and the causes of deviations for the plans.
- Adjustments: The control activities may reveal shortcomings on the plans or show that they are no longer up-to-date, and thus lead to adjustment of the plans.

By nature strategic planning and all its elements form a cycle, also called the planning & control cycle. If the cycle is not complete, i.e. if there is no strategy, or if strategy is not translated into operational planning, or if there is no monitoring and feed back, strategic planning is ineffective and meaningless.

Originally planning and control was applied to financial management, but it has come to be applied to other functional aspects of the organisation such as human resources management and development, and to the primary processes (in public organisations) of policy formulation and service delivery, qualitatively and quantitatively.

Whenever we speak of strategic planning in this manual, we speak about the total cycle of activities as described above.

Strategic planning is <u>iterative</u>, i.e. the whole cycle must be repeated periodically. The strategic plan should be revised every four to five years, but if the results do not match the expectations, you may have to revise it more quickly. Annual operational plans have to be made each year. Reporting has to occur at least once a year. Feed-back on reports has to occur soon after the report has been submitted.

2.2   Why do we need strategic planning?

In modern thinking about public administration it is an agreed concept that public administration should be efficient, effective, transparent, accountable and responsive to citizens and society needs. Efficiency means that money should be spent in a purposeful way and that such spending leads to results which are beneficiary to society and citizens. Transparency and accountability mean that the public administration should be able and willing to provide information about what it is doing and why and that it should at all times be able to explain and defend its actions and expenditure. Public organization are supposed to create public value: they not only give value for money, but they also contribute to the development of their sector and thus to society in general.

Strategic planning is one of the means and techniques to help achieve this overall goal, but not the only one. Other means are the introduction of modern budgeting approaches such as product- or performance-based budgeting, and modern styles of management.

Strategic planning helps the management to understand whether activities undertaken in their organization really lead to the results they want to achieve (the effectiveness of their plans and actions). It also help them to be selective in their activities. Upcoming ideas can be checked against the strategic goals: thus strategic planning gives focus to the organization. If upcoming ideas do not contribute to reaching the strategic goals, the decision makers may decide not to spend time and money on them. Strategic planning is a <u>management tool</u>.

Strategic planning helps the employees to understand which the strategic goals of the organization are, and what their role in achieving these results. So it is also is a <u>communication tool</u>

Strategic planning finally is a <u>learning tool</u>. Good monitoring and reporting helps management and employees understand which results envisaged are not achieved, and why, and thus enables the management and employees to think about adjustments or improvements.

2.3   Main content of strategic plan, operational plan and progress report

A <u>strategic plan</u> ideally consist of the following elements:
1. An analysis of the current state of affairs of the organization and the sector(s) it oversees, as much as possible underpinned by quantitative data
2. A mission statement. This is a short statement in which the organisation says why it exists and what it intends to do
3. A vision statement. This is a short statement about the envisaged state of affairs in the organisation and in the sector(s) it oversees

4. A value statement. This is a short statement in which the organization says what are the moral or other criteria it wants to apply in its behaviour and operations
5. The overall or strategic goals the organization wants to achieve
6. The specific objectives that need to be achieved in order to reach the overall or strategic goals
7. The main courses of actions to be taken to realize the specific objectives
8. The indicators through which it becomes visible whether the organisation achieves its overall goals and specific objectives
9. The assumptions and the risks underlying the goals, objectives and courses of action
10. An indication of the means needed for each course of action and their source.

An operational plan is a work plan for the organization as a whole or for units within the organization. It generally consist of the following elements
1. The actions and projects to be undertaken, arranged per specific objective or course of action,
2. The unit within the organization that is responsible for the action or project
3. The input needed for each action or project
   a. in terms of money (which budget line, extra resources needed?)
   b. in terms of staff (current staff, extra staff needed?)
   c. in terms of equipment (IT, data, research, buildings etc.?)
4. The time needed for each action or project
5. The indicators and the changes they should undergo during the plan period
6. Assumptions and risks underlying the actions and projects

A progress report generally consists of
1. A comparison between the operational plan and the factual achievements within the reporting period. This comparison concerns
   a. the inputs (finance or staff planned and needed)
   b. the outputs (material, e.g. studies, reports, proposals, construction works, planned and realized)
   c. the results or outcomes (economic or social effects, envisaged and realized)
2. The reason for deviations (in both directions: 'positive' and 'negative') and possible consequences for future operations
3. The changes in the performance indicators that occurred during the reporting period
4. Proposals to address the causes of deviations, as far as needed
5. Proposals to change the operational plan or even the strategy
TOOL 2 shows the elements of the strategic planning process

3   Preparations

3.1.   Setting up the planning team

The first step in the preparation of a strategic plan is the setting of a strategic planning team
The members of the strategic planning team should have knowledge of the whole range of activities of the Ministry or the Agency.
The strategic planning team may be made up of managers and / or competent other staff from both the primary business units and the staff departments.

The primary business unit are the units that carry out the primary business processes. Staff department are the units that carry out the support functions.

One example as illustration
> *A car factory makes cars and sells them. In a car factory the units that produce the cars and sell them are the primary business units. In order to make good cars that are technically sound, affordable and respond to the needs of the customers (the market), there is a technical research unit and a market research unit. Their activities may be considered as part of the primary business*
>
> *All these units need money to buy materials to make the cars, they need staff to make them and sell them, they have to have work spaces and equipment to do their work etc. This is arranged by the so-called staff departments. These are the units responsible for the financial management, (budgeting and accounting), to hire, train and release the staff (human resources management and development), IT, technical support units etc.*
> *A strategic planning team of this car factory will always include members of all these departments.*

Ministries and other government agencies also have primary business process and supporting processes. A ministry is primarily there to oversee a sector, to stimulate it and regulate it. In this case primary business processes may consist of policy development and the research need for it, service delivery of all kind, such as delivery of permits, licenses, certificates and the like, and inspections of all kinds may also very well be considered a service, as they ensure equal regulatory conditions (the level playground) for all bodies working in the sector.
The supporting or staff units are roughly the same as in any major private organization: Finance, HRM, Planning and programming, IT, external relations, etc. Statistics & Research units may be considered part of the support units as they generally work for all production units, even if these are very different in nature.

The planning team should be made up of managers or of other staff members that have a good knowledge of all these departments.

It would be ideal if the planning team would be chaired by the CEO, the Chief Executive Officer. In a Lebanese Ministry this is the Director-General. But as the Director-General also is the linking pin with the political decision maker, the Minister, he may not have the time to participate extensively in the work of the team. In such a case he may very well appoint someone else to the position of chairman.

A special issue is the participation of the outside world in the strategic planning process. A ministry has stakeholders such as clients of services, suppliers, institutions of various kinds, or even fellow ministries or government agencies. Sometimes the sector is well organized in a single organization (e.g. the Union of Lebanese Industrialists) but most of the time the field is organized in more than one of even very many organisations especially in the field of Social Affairs.

If it is feasible, it is recommended to invite one or two representative and authoritative stakeholder organizations to participate in the work of the strategic planning team. The reasoning behind this is that government is working for society. Government should be transparent and accountable. Governmental strategies and policies can only be successful if they are shared and supported by the sector of society they are meant for. In almost all sectors of society, government needs the cooperation of stakeholders, especially when it comes to investments. It cannot and should not do everything by itself.

Summarized, ideally the strategic planning team should be made up of
1. the Director-General (or some appointed by him/her)
2. the senior managers of the line departments
3. one member from the financial unit (budget and/or accounting)
4. one member from the HR department (HRM & HRD)
5. one member from the Statistics & Research unit
6. one member from the Planning and Programming unit
7. one member for each primary business unit or department
8. if possible, one or two representatives from stakeholders organisations (not necessarily the chairman)

The team should not only comprise managers (department heads) but preferably also young talented staff.

Please note that the strategic planning team is not a closed shop! Members may be members for a phase, and not participate in another phase of plan preparation.
The Team should invite other staff members or stakeholders to participate if necessary for a good result.

3.2.   Involvement of decision makers

It is pivotal to the acceptance and the success of any strategic planning exercise that the decision makers are involved in the strategic planning process. Decision makers at Ministry or Agency level are primarily the Minister and the Director-General, but also the managers of the line departments.

In the Lebanese context it may not always be feasible to have all these decision makers permanently involved in the strategic planning process. In that case the minimum requirement is that
-   they are informed about the progress of the strategic planning process
-   they get sufficient time and opportunity to decide on the essential content of the strategic plan
-   they get all the information needed to formulate their opinion and make choices

Important moments to consult decision makers and get their guidance and commitment are
a. the start of the process and its various steps
b. completion of the analysis
c. the completion of the plan up till the main strategic goals and specific objectives
d. the identification of the main courses of action

The role of the SP Team is a facilitating and supporting role. They do the research and prepare the plans in all their stages, involve decisions makers and stakeholders at the appropriate moments, help them in monitoring the plans or adjusting them, but it remains the responsibility of the management to decide on the content of the plans, to implement them and monitor the results and outcomes.

3.3.   Involvement of stakeholders

Regardless whether stakeholders participate in the strategic planning team or not, it is always wise to consult stakeholder organisations at important moments in the strategic planning process.
These moments are at least:
- completion of the analysis (stakeholder opinions about the problems in the sector may differ fundamentally from those of the Ministry)
- the completion of the plan up till the main strategic goals and specific objectives and the identification of the main courses of action

An important issue is whether stakeholders should be consulted before or after consultation of the decision makers. This has to be discussed with the decision makers at the start of the process.

An advantage of consulting stakeholders before consultation of the decision makers is that the decision makers get to know the opinion of the stakeholders and may take these into account before they give their own opinion and guidance. Therefore in modern approaches to consultation prefer this option to other options.

3.4.   Involvement of own staff

After the decision has been taken on the SP Team and the preparation process as under 3.2 and 3.3 it is advised to inform the total management of the Ministry on the preparation of the strategic plan. The managers and may-be selected other staff should be informed that
- a strategy is being prepared,
- why this is happening,
- by whom the strategy is being prepared
- how it is being prepared,
- what may be expected from the various departments and sections
- when the draft will be presented to them for feed-back.

3.5.   The preparation process

It is advisable to draft a <u>short</u> preparation plan, just a few pages, in which are described
1. the composition of the strategic planning team (names and positions in the organization)
2. the involvement of decision makers (who, when and how)
3. the involvement of stakeholders (who, when and how)
4. the input (how many working days of the organization's own staff, the budget for external expertise if any)
5. the time table (the various steps, an indication when each step will be completed, the various consultation moments)
6. internal communication: the employees (at least the managers) of the organization should know that a strategy is being prepared, and why, by whom and how it is being prepared, what may be expected from the various departments and sections and when the draft will be presented to them for feed-back.
7. The SP Team may consider to organize periodical meetings with managers to inform them about the progress of their work and to discuss issues arising.

Action checklist for the coach or SP Team Leader

1. Compose a strategic planning team that meets the criteria given in section 3.1-3.
2. Make an implementation plan as per 3.4. taking into account section 3.2-3
3. Get the approval of the decision makers on your plan.
4. Inform the managers and selected other staff as per 3.4.
5. Appoint a reporter within the SP Team who will be charged with writing the report as data come in and as the various elements are formulated

4   The preparation of the Strategic plan

4.1.   Analysis current situation

The first step in the preparation of any strategic plan is an analysis of the current situation of the ministry or agency as an organization (internal analysis), and of the sector it oversees and the environment in which it operates (external analysis)

As much as possible the analysis should be supported by quantitative data. This is important because these quantitative data may provide the so called base-line assessment, on the basis of which later on progress can be measured.

Analysis can be done in many ways, very common are techniques such as SWOT-analysis and PESTLE. Before applying these techniques, an inventory should be made of the ministry as an organization and of its environment: the sector it oversees and its stakeholders. Hereunder six steps are shown in order to come to an analysis of the organization and the sector.
4.1.1   Gathering data on the organization (FORM 6)
4.1.2   Gathering data on the sector (FORM 5)
4.1.3   PESTLE analysis (FORM 1)
4.1.4   Stakeholder analysis (FORM 2, 3, 4)
4.1.5   SWOT analysis (FORM 7)
4.1.6   Finalizing the analysis

PESTLE, Stakeholder Analysis and SWOT are analytical tools. Other analytical tools may be applied, depending on the needs of the organization and the plan to be made. (TOOLS 4,5, 6, 7 & 8)

The analysis of the current situation of the organisation and the sector in which it operates is an essential building block for the total gap analysis. The gap analysis consists of:
- A description of the current situation (this chapter of the manual)
- A description of the desired situation (chapter 4.5 of this manual)
- A description of the gap between the current situation and the desired situation (chapter 4.6 of this manual

In its totality the gap analysis is a tool to better design the policy part of the strategic plans and to assess priorities.

4.1.1   Gathering data on the organization

This can best be done through structured interviews. The heads of the departments and staff units are interviewed and during the interviews the questionnaire is filled in.

The questionnaire will ask questions about
- The mandate of the ministry/agency
- Conflicts or overlaps with activities/mandates of other ministries/agencies
- The organisational structure of the organization

- Earlier documents of strategic nature (strategies, plans, policies)
- The capacity and performance of the various units (primary business processes)
- Per unit a short inventory is to be made of
    - Current permanent staff, current vacancies
    - Current temporary staff and their level of education and training
    - The tasks
    - The current task fulfillment level
    - The desired task fulfillment level
    - The causes of the differences or shortfalls

An example of a discussion about the level of task fulfillment:
A unit is tasked with inspection of establishments in the field and checking their compliance with legal regulations. It may have only 10 inspectors.
These inspectors may do 500 inspections per year, including the necessary follow-up actions on cases of non-compliance.
Suppose the number of establishments to be inspected regularly is 5000.
This means that inspections take place on average every 10 years.
The desired overall level of inspections is every 2 years.
This means that the organization should be able to do 2500 inspections per year.
This would require 50 inspectors, with specified qualification and training.
(How to deal with the gap is a question that will be addressed in the strategic plan…)

If there is a difference in current task fulfillment level and desired fulfillment level, what is the cause? This may often be shortage of staff, but it may also be complex regulation, complex and time-consuming work processes, lack of delegation, interference from outsiders, etc.
Answer to these questions may give clues to actions to be taken within the framework of the strategy for the organization.

It is particularly important to gather earlier documents of strategic nature. Even if these documents would not totally comply with modern standards of strategic planning, they contain a lot of very valuable thinking and visions and ideas concerning the development of the organization or the sector it oversees. This thinking should be made use of when drafting the strategic plan and if possible be incorporated.

Action checklist for the coach or SP Team Leader
1. Make a list of departments and sections you want to include in the inventory
2. If there are very many sections, limit yourself to the departments and a few selected sections. Be careful to choose the most relevant ones in terms of production/service delivery
3. The members of the strategic planning team divide the departments or units to be approached among themselves
4. They hold the interviews using the questionnaire (FORMS 4, 5 &6)
5. They prepare the interview report (= the questionnaire filled in)
6. They present the results to the team

7. The reporter of the team is charged with making a meaningful summary which may be part of the analysis chapter in the SP
8. Share this part of the chapter 'Analysis' with all members of the SP team
9. Set a time frame for each activity

4.1.2 Gathering data on the sector

Also in the first phase of the analysis data (as much as possible quantitative data) should be gathered about the sector
Of course the kind of data are different per sector, but recurring elements are
- the current size of the sector in numbers of establishments or client population,
- and if relevant the composition of those numbers in sizes or kinds
- the budget involved of cost or production,
- share of sector in GDP and the like
- comparison of the sector internationally (comparative studies, benchmarks, ratings, etc.)
- major problems/issues in the sector
- listing the mayor stakeholders in the sector
If important data are not available, or not of good quality, this should be noted, as this may lead to courses of actions being formulated in the strategic plan.

The data gathering on the sector should include holding interviews with important representatives of the sector served by the ministry or agency: its clients or customers
Purpose of the interview is to find out
- how does the sector see itself, which problems does it face in their own opinion
- how does the sector see the ministry, where could the ministry improve its performance
FORM 2 gives a list of possible questions for these interviews.

Action checklist for the coach or SP Team Leader
1. Make a list of data to be gathered for the sector in which your organization works and identify where these data can be found
2. Divide the tasks of data gathering over the members of the team, including the interviews
3. Charge the reporter with making a meaningful summary of the data gathered which may be part of the analysis chapter of the SP
4. Share this part of the chapter 'Analysis' with all members of the SP team
5. Set a time frame for each activity.

4.1.3 PESTLE analysis

This method studies the Political, Economic, Social, Technological, Environmental, and legal factors affecting the plan. It includes the study of expected changes, their impact on one or more of these factors, and the factors which can be relied on to support the plan, thus increasing its chances of achieving set goals.

The <u>political</u> factors account for all the political activities that go on within a country and if any external force might tip the scales in a certain way. They analyze the political temperament and the policies that a government may put in place for some effect. For example, the fiscal policy, trade tariffs and taxes, foreign policy developments, changes of government, etc.

The <u>economic</u> factors take into view the economic condition prevalent in the country and if the global economic scenarios might make it shift or not. These include the inflation rates, foreign exchange rates, interest rates, poverty, distribution of wealth, etc. All these can affect the supply and demand cycle and can result in major changes of the environment of the organization.

<u>Social</u> factors have to do with the social mindset of the people that live in a certain country. This sums up the aspect of culture, age demographics, gender and its related stereotypes, at times this analysis has to include the religious factors.

<u>Technological</u> factors take into consideration the rate at which technology is advancing and how much integration does a company needs to have with it.

<u>Legal</u> factors have to do with all the legislative and procedural components in a country. Also, this takes into account certain standards that your business might have to meet in order to start production/promotion.

<u>Environmental</u> factors have to do with geographical locations and other related environmental factors that may influence upon the nature of the trade you're in. For example, agri-businesses hugely depend on this form of analysis.

The steps in PESTLE analysis are
- to list for each of the factors mentioned above the most important topics issues
- to decide whether an expected development is a treat or an opportunity, and of what degree of importance it is.
- to discuss for each topic which development might take place in the short-, mid-, or long-term future (within the plan period)
- to discuss for each topic whether this development (or lack of development) may constitute a threat, or opportunity
- to put the results of the discussion in the form found as FORM 1

Action checklist for the coach or SP Team Leader
1. Organize the discussion to fill in the PESTLE analysis in the SP Team.
2. Try to get at least one issue under each heading in each factor in the form (FORM 1)
3. Charge the reporter with making a meaningful summary of the data gathered which may be part of the analysis chapter of the SP
4. Share this part of the chapter 'Analysis' with all members of the SP team

4.1.4   Stakeholder analysis

Stakeholders Analysis aims to identify the position of various external groups and their influence on the strategic plan implementation. These external groups range from social groups and concerned economic groups, to less influential and latent groups.
The main internal stakeholders are the organization's employees whose positions and influence is analyzed through the internal environment analysis section. (FORM 2)

The external stakeholders who can potentially influence the plan implementation can be usefully divided into Sectoral Stakeholders and those who fall outside the sector. The categories are listed below:
Sectoral partners and interested parties including
Sectoral Partners, such as
- suppliers, that deliver their services and products to the organization
- customers and clients, that receive products and services from the organization.
- Please note that these types of stakeholders may be individual citizens, or may be enterprises, organisations of all kinds, regions, economic sectors, social groups, interest groups etc;
- Interest groups and organisations representing (parts of) the sector

External Partners, such as:
- donors, that provide funding for activities
- international entities, that may provide funding or knowledge, or in some case regulate activities of the organization
- other governmental and non- governmental organizations (NGO's, Ministries, political parties, parliament, council of ministers), whose cooperation is needed to carry out activities successfully etc. They may include partners and adversaries.
- Other bodies or individuals whose contributions to the organisation may include advisory services, technical expertise, material and moral support, or feedback, such as press agencies and radio and tv organisations etc.

Stakeholders can be classified in many ways according to their role and importance. E.g. Do they have influence on your organization or not? Do they have an interest in your organization or not?

An important question is of course how should the organization deal with its stakeholders?

Current common knowledge gives the following picture:

Stakeholders that have immediate interest in your organization and also have high influence on it are called the <u>promoters</u>. It is best to closely engage with them and to try to influence their attitude and decisions
Stakeholders that have not always interest but when they act may have high influence are called the <u>latent</u>. Here it is best to keep them well informed
Stakeholders that have high interest in your organization but less influence may be called the <u>defenders</u> of your organization. Here the preferred line of action is to keep them satisfied.
Finally the stakeholders that have no interests in your organization and also have little or no influence are called the <u>apathetic</u>. There is no need to take much action towards them but keep monitoring them.

The table hereunder (FORM 4) gives an overview:

		Low interest high	
powers/influence	low	**Latents** Low interest <u>now</u> High powers/influence Policy: Keep them satisfied	**Promoters** High interest High powers/importance Policy: Manage your relations, engage and influence them
	High	**Apathetics** Low interest Low powers/influence Policy: Monitor them	**Defenders** High interest Low powers/importance Policy: Keep them informed

Action checklist for the coach or SP Team Leader

1. Organize the discussion in the SP Team to identify possible external stakeholders of the organization
2. Try to assess the degree of their importance and interest in the organisation and to classify them as promoters, latents, defenders or apathetics.
3. Fill in the form (FORM 3)
4. The reporter makes a meaningful summary of the discussion in running text (may be with the table) which may be part of the analysis chapter of the SP.
   Please note: the results of the Stakeholder Analysis and the PESTLE analysis should be merged into one text.
5. Share this part of the chapter 'Analysis' with all members of the SP team
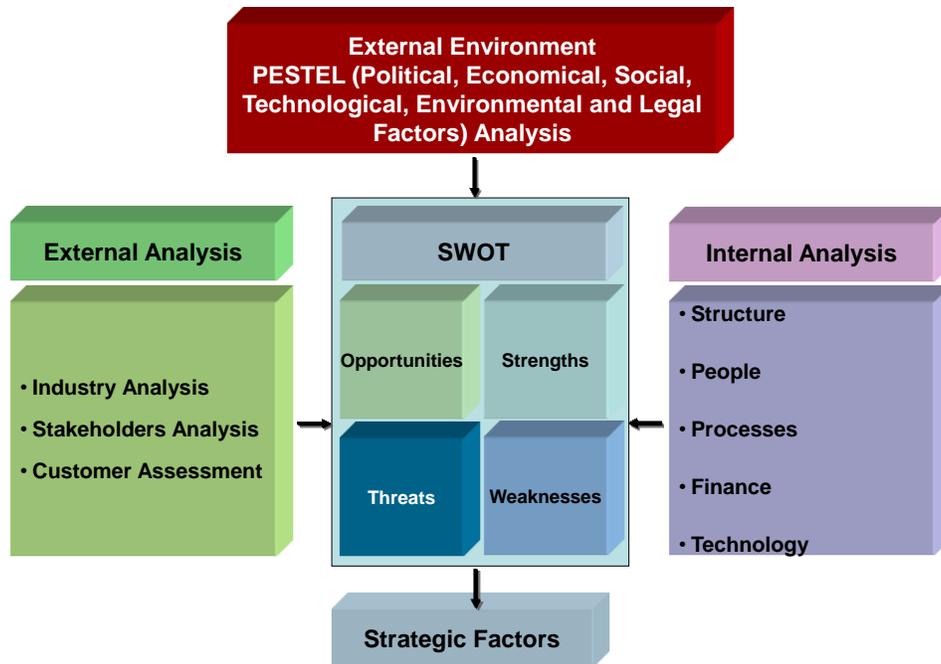
4.1.5   SWOT analysis

The SWOT analysis is used here as a tool to analyze the organization and its environment. But it is useful to keep in mind that SWOT analysis can be applied on many different things at different levels. It may be applied on the organization as a whole, on the sector it oversees, on parts of the organization or the sector, e.g. in order to get a more detailed analysis, or even on plans and projects. It may be advisable to carry out several separate SWOT analyses, one for the organization, one for the sector etc. The strengths and weaknesses of a government organization, e.g. a Ministry, are not necessarily the same as those of the sector they oversee.

It is not sufficient to provide a list of internal Strengths and Weaknesses and external Opportunities and Threats in a SWOT analysis. It also requires an analysis of the conditions, causes and results for the listed criteria. It is important for the analysis to be inclusive and to form a preliminary picture that outlines what needs to be done to ensure plan success.

The main challenge in preparing the plan is to match Strengths with Opportunities, turning Weaknesses to Strengths, transforming internal obstacles into Threats, and Threats into development opportunities.

Figure (4.1) illustrates the SWOT Analysis which forms the core of the Analysis Phase of the Strategic Planning process. We can use the following perspectives to prepare a SWOT Analysis:

- Financial Resources
- Organizational Resources: Human Capital /Organizational /Informational
- Customers (Beneficiaries)
- Operational

Figure (3.1): SWOT Analysis Method

The Illustration below shows some measures that can respond to some Weaknesses, and by doing so turning the Weaknesses into Opportunities for improvement:

Weaknesses	Opportunities to improve
Advanced Technology	Obtain latest technology based on identified needs
Lack of required skills	Allocate training resources and/or amend recruitment criteria aligning it with needs
Poor performance quality / low service standards	Adopt and apply quality standards on management and services processes
Lack of Funding	Find new External funding resources
Poor Abilities in service performance	Outsourcing based on Service Agreement

Initiatives Sample

The internal analysis covers the following elements:
- **Organization structure** and its suitability for the assigned tasks.
- **Processes** and their capability to support the Strategic Plan requirements.
- **Human Resources** analysis to assess the need for specialized talents and the most efficient means to acquire them.
- **Financial** evaluation of budget in accordance with Strategic Plan and the financial and economic analysis of the Ministry.
- **Technology** evaluation of information management systems efficiency, including consolidated data bases, information updates and user accessibility.

It is important to understand the impact of these elements on the Strategic Plan from start to finish, and their role in plan success. Planners can develop initiatives that strengthen the organization, support the plan and increase chances of success.

Ultimately the SWOT Analysis should consist of a form that looks as follows:

	Helpful	Harmful
Internal origin	**Strengths** Org structure - Processes - Human resources - Finance - Technology -	**Weaknesses** Org structure - Processes - Human resources - Finance - Technology -
External origin	**Opportunities** Org structure - Processes - Human resources - Finance - Technology -	**Threats** Org structure - Processes - Human resources - Finance - Technology -

A full size form is to be found in FORM 7

Action checklist for the coach or SP Team Leader
1. Organize the discussion to fill in the SWOT analysis in the plenary SP Team.
2. Try to get at least one issue under each heading in each quarter
3. Charge the reporter with making a meaningful summary of the data gathered which may be part of the analysis chapter of the SP
4. Share this part of the chapter 'Analysis' with all members of the SP team

4.1.6   Finalizing the analysis

In the preceding sections five methods of internal and external analysis have been described.
It may well be that one way of analyzing the stakeholders of an organization gives results that differ from the analysis in a different method. It is worthwhile to identify possible differences or incongruities and sort them out. In this way the analysis will gain coherence.
This can best be done through a dedicated group discussion.

After the analysis has been checked on its coherence, present the analysis to the CEO and to the stakeholders. Do not hesitate to incorporate their viewpoints as generally this will improve the quality of the analysis.

Action checklist for the coach or SP Team Leader

1. The reporter merges the various parts of the analysis into one chapter (chapter 2) of the strategic plan
2. Organize the discussion in the plenary SP Team to identify inconsistencies between the various parts of the analysis and try to reach consensus on how to deal with them.
3. Share the analysis with the management (CEO and heads of major departments) and the political decision makers of the organisation. Incorporate their remarks into the analysis.
4. Get their approval for sharing the analysis with stakeholders
5. Share the analysis with stakeholders and discuss it with them
6. Incorporate their remarks into the analysis meeting and mark them as originating from the stakeholders
7. The resulting is chapter 2 of the strategic plan

4.2.   The Mission statement

After the analysis has been completed, the drafting of the plan can start. The first step in this drafting process is the drafting of the policy elements: mission statement, vision statement, value statement, overall goals, specific objectives and course of actions.

4.2.1   What is a mission statement, and what should it look like?

The mission statement expresses the organisation's purpose, reason for existence. It may express the scope of work of the organization, its mandate, and its ways of working.

The mission statement is based on the legislation which formed the organization, which in turn is based on facts, field studies, statistics, and additional information. It also takes into account available resources at the organisation's disposal, performance capacities, and expected challenges. So the mission should be realistic.
On the other hand the mission statement should also reflect the organisation's ambition to improve its performance and services.

For this reason the mission statement should adopt the following attributes:

- Concise and precise: the statement is brief, direct and to the point, empty of all explanations and details. It expresses the essence of the mission statement. It may look like a slogan! Preferably not more than 25 words in one sentence.

- Flexible: it should be able to cover possible changes to the working practices and the mandate to be expected within the planning period. It should not be detailed.

- If possible, aspiring to best international practices in the field.

4.2.2   Importance of Mission Statement

The presence of a limited flexible mission statement allows for the following:
1. Provides a framework (a focus) to identify goals, initiatives, projects and programs that help the organisation achieve its vision within the set time limit.
2. Familiarize the public with the organisation's objectives and scope of work
3. Help stakeholders have a better understanding of the organisation's scope and direction.
4. Help staff better understand their role and increase their commitment to build a productive and healthy work environment.
5. Highlight common interest areas between the organisation, social entities, communities, and other outside stakeholders.
6. The ability to adapt to changes within the organisation's work environment, including changes in stakeholders' requirements and the relevant international entities.

4.2.3.   The process of making a mission statement

The most common way is to have a group discussion. If the planning team is small, this can be a plenary discussion. If the group is bigger than say five, one may choose to have the team divided into groups of three, each group drafting its own statement, followed by a plenary discussion. Handy approaches for making a mission and a vision statement are given in FORM 8 & TOOL 9. The one under FORM 8 is more complete, but the one under TOOL 9 might lead to somewhat shorter mission statement. It could be used as a checklist.
Examples of more elaborate mission statements are given in TOOL 10
Examples of concise, slogan-like mission statements are given in TOOL 11
In the end the mission statement is to be decided by consensus. If no consensus can be reached the CEO (in a Ministry the Director-General) may decide.

Action checklist for the coach or SP Team Leader
1. Organize the discussion in the SP Team on the mission statement.
    a. If the SP team is five or less, in one group.
    b. If the SP team is bigger than five, you may choose to divide to spilt the group into groups of three and have them elaborate their own mission statement
2. Use the method given in FORM 8 and use the information and examples in TOOLS 9, 10 AND 11 as a check.
3. Check the mission statement on which the team agrees on the criteria given in 4.2.1
4. Modify it until it meets the criteria of 4.2.1.
5. Get it adopted by the SP Team.
6. The reporter sets it in running text, to be followed later by the vision statement and the values statement

4.3.   The Vision statement

4.3.1   What is a vision statement, and what should it look like?

The vision is the future that the organisation wants to achieve within specified time limits (3 to 5 years) as seen by the organisation.

In practice, it is a representation of the future of the sector addressed by the organisation and the role the organisation plays in shaping it.

The vision can also be described as the "revolving light" which guides the long-term management of the development plan.

The vision is based on the following: mandate, mission Statement, International developments and sectoral future structure, the organisation's aspirations for the sector and its own future, best practices of similar organisations, and the organisation's realistic ability and potential to realize the vision.

In addition to the sources listed above, the following sources also influence the formulation of the vision: The state's development aspirations, the organisation's own priorities, MP's wishes, economic stakeholders' aspirations, results and recommendations of studies from research and academic institutions, International organizations and advisory bodies.

4.3.2   Importance of Vision Statement

The importance of the vision is similar to that of the Mission statement.

For the vision to be achieved it needs to be realistic and ambitious at the same time:

Realistic, based on solid scientific, practical, and real data. It derives its realism from:
-    Derived from the State's general development aspirations and the Ministry's aspirations in particular.
-    Reflects the Ministry's priorities (as backed by the state).
-    Reflects in general the wishes and aspirations of the people, economic stakeholders, and other public and private sector influences.
-    Derived from and/or considers the results and recommendations of studies from research and academic institutions, international organizations, and advisory bodies.
-    Devoid of fantasies and baseless estimates.

Ambitious, reflecting the Ministry's desire for better performance and higher efficiency, while taking into account:
-    Developing Institutional, Community, and Individual awareness among the Administrative leaders and employees.
-    Developing the Ministry's internal and the state's general capabilities and capacities.
-    Providing technical and financial support from backers and/or donors.
-    Enhancing gained knowledge and lessons learned from previous experiences and/or derived from international best practice.
-    Supporting the latest scientific and technical developments.

These elements combined form a strong driving force to develop realistic, ambitious and applicable vision.

Building a vision requires the ability to analyze the future based on realistic and accurate data, and steering clear of wishful thinking and non-scientific expectations.

Developing a vision requires detailed knowledge of:
-    The current situation of the Ministry's sector, and the development needs of the sector and the area
-    The Ministry and the state's current ability and potential to deliver.

It also requires a clear image for:
-    The future the ministry aspires to
-    Future image and ministry's role

4.3.3. The process of making a Vision statement

The most common way is to have a group discussion. If the planning team is small, this can be a plenary discussion. If the group is bigger than say five, one may choose to have the team divided into groups of three each, each group drafting its own statement, followed by a plenary discussion. Handy approaches for making a vision statement is at TOOL 12 . The one under 10 is more complete, the one under 7 might lead to somewhat shorter vision statements than the one under No 10. The one under 7 may be used as a check list.
Examples of more elaborate vision statements are given in TOOL 13
Examples of concise, slogan-like vision statements are given in TOOL 14
In the end the Vision statement is to be decided by consensus. If no consensus can be reached the CEO (in a Ministry the Director-General) may decide.

Action checklist for the coach or SP Team Leader
1. Organize the discussion in the SP Team on the vision statement
    a. If the SP team is five or less, in one group.
    b. If the SP team is bigger than five, you may choose to divide to spilt the group into groups of three and have them elaborate their own mission statement
2. Use the methods given in FORM 9Check the vision statement on which the team agrees on the criteria given in 4.3.1
3. Modify it until it meets the criteria of 4.3.2.
4. Get it adopted by the SP Team
5. The reporter sets is in running text, preceded with the mission statement, and followed by the value statement.

4.4.   The Value Statement

4.4.1   Definition of values and value statement

Values are the beliefs and ideals which are shared by a specified culture or cultural environment. They are the principles by which an individual judges what is right, wrong, acceptable, and unacceptable. Value systems in a community or an organisation can be described as the window through which situations concerning the individual, the individual's job, and environment is seen.

Values may be described as the good qualities of the organization, such as: accountability, transparency, commitment, engagement with citizens etc. for a list of such possible good qualities see the toolkit under 15 and 16

The prevaling values in administration and staff (which is not always the values one would like to see in the organisation) have a major impact on employee and management behavior. These effects are evident in an employee's work practices and decisions, and are reflected on his activities and positions.

A value statement is a short list of characteristics and qualities the organization adheres to, and wants to apply in its working and which it feels will be helpful to achieve the vision.

4.4.2. Importance of values and value statements

Getting to know the prevailing organizational culture is an important step in identifying performance issues which can impact the Strategic Plan's success. Organizational culture is the most important factor when determining Strategic Plan success or failure. If the external factors are favorable to success and the organizational culture is not, the chances of success are minimal. In contrast if the culture is favorable to success and the external factors are not, then the chances of success are higher.

It is important also to identify the community value system in which the organization is operating. Social perceptions play a major part in evaluating organizational performance, work methods, vision and social acceptance of organizational observations and requests.

It is also useful to identify the prevailing culture among External Stakeholders and the values and principles which dictate their relation with the organization.

The impact of the values of these entities on the performance of the organization is significant (both positive or negative), and they can influence community acceptance of organizational performance levels, depending on the organization's various external partners.

The Organizational and general cultural environments have different effects on the organization's performance. They can aid or hinder the organization goal achievement and/or aid or hinder reaching the target group.

General identification of values which have the highest impact, understanding them and determining best methods to deal with them is the gateway through which a positive impact on both Strategic Plan implementation and objectives achievement will be successful.

4.4.3   How to make a value statement

The best way is to have a group discussion. If the planning team is small, this can be a plenary discussion. If the group is bigger than say five, one may choose to have the team divided into groups of three each, each group drafting its own statement, followed by a plenary discussion.

Examples of values are given in the toolkit.

The Table in FORM 10 is used to identify the values which support the strategic plan and the practices and convictions which will hinder it. The form takes you through the values and practices of the organization itself, and of its environment.

Examples of more elaborate value statements are given in TOOLS 15 &16

In the end the Value Statement is to be decided by consensus. If no consensus can be reached the CEO (in a Ministry the Director-General) may decide.

Action checklist for the coach or SP Team Leader

1. Organize the discussion in the SP Team on the Value statement.
   a. If the SP team is five or less, in one group.
   b. If the SP team is bigger than five, you may choose to divide to spilt the group into groups of three and have them elaborate their own mission statement
2. Use the method given in FORM 10
3. Get it adopted by the SP Team
4. The reporter sets the values statement in running text. Together with the preceding mission statement and the vision statement, the value statement constitute chapter 3 of the strategic plan.
5. Get the approval of the CEO and managers of the major line departments on mission, vision and values statements

4.5 Description of the desired state of affairs

After the formulation of the mission, vision and values it may be helpful to describe the desired situation in some more detail. The vision statement is short and indeed visionary, the description meant here is factual. It is the second part of the gap analysis

Such a description should ideally cover all the elements of the analysis of the current situation
- The internal analysis (data on the organization)
- The external analysis (data on the sector)
- The PESTLE analysis
- The SWOT analysis
- The Stakeholder analysis

and for each element assess whether the situation should remain as is or which elements or shortcomings should be improved or changed and to what degree, and describe the necessary change in performance indicators as far as possible.

The description should make use of the statistical data gathered during the analysis and should make use of the same performance indicators as found during the analysis phase.

TOOL 17 describes Gap Analysis, TOOL 18 describes Force Field analysis both of which provide a methodology for identifying and describing the Gap between current and desired states . TOOL 19 is a decision making tool to identify Key Result Areas from the Gap analysis and the strategic goals which are formulated from KRAs, to form the basis of the strategic plan

The use of this exercise is manifold:
- it helps to envisage more accurately what should be done
- it creates a better understanding of the current situation and the changes needed
- it provides a first check on the realism of the ideas of the SP Team
- it helps in designing the policy part of the plan: identifying the strategic goals, the specific objectives and courses of action to be taken later on

4.6. Finishing the gap analysis

As stated earlier the gap analysis consists of three parts:
- A description and analysis of the current situation (chapter 4.1.)
- A description of the desired situation (chapter 4.5)
- A description of the differences between the current and the desired situation

This chapter treats the last part.

If the description and analysis of the current situation has been well underpinned with quantitative data, identification of the differences between current and desired situation is feasible.
Just identification of gaps quantitatively is not enough however. It may be helpful to express the gap in percentages of the current situation.

The description of the gap should also look at the following elements:
- Policies and initiatives
- Legal framework
- Systems in the organization and the sector
- Processes
- Resources
- Behaviours
- Skills and knowledge of staff
- Premises and equipment
- Communications and information practices
- Relations with stakeholders

Action checklist for the coach or SP Team Leader

1. Organize the discussion in the SP Team on the description of the desired situation.
   a. If the SP team is five or less, in one group.
   b. If the SP team is bigger than five, you may choose to divide to spilt the group into groups of three and have them elaborate their own mission statement
2. Make the team or each sub-group describe the gap for a part of the sector or the part of the organisation as described in TOOL S 17 & 18 and using FORMs 11 and 12 Discuss the results in the plenary SP Team and get it adopted by the Team
3. The reporter sets the description of the desired situation statement in running text, may illustrated by one or more tables showing a comparison of existing and desired performance indicators.

4.7. Strategic Goals, specific objectives, and activities

4.7.1 Introduction. Definition of strategic goals, specific objectives and activities

The definition of the strategic or overall goals, the specific objectives and courses of actions is the heart of the strategic plan. The word 'goals' and objectives' are often used indiscriminately. Therefore we first give the definition of these concepts as used in this manual.

A **strategic** or **overall goal** is a long term overarching objective which is meant to be achieved within a specified timeframe between 4 years, known as the "Strategic Extent". If for whatever reasons the goals is long term beyond the four years, an effort should be made to set an overall goal that constitutes a step towards achieving this long term overall goals.

A **specific objective** is a target to realized within the time frame of the strategic plan that, once realized, will help to achieve the overall goal

Course of actions may be projects with many different actions, or a series of consecutive actions, or a single action.

So there is a hierarchy: ideally courses of actions lead to the achievement of specific objectives and the realization of specific objectives leads to the achievement of the overall goal.

For example, if the Ministry of Public Health has an overall goal to "Reduce Infants Mortality to a specified rate," its Strategic Plan must include initiatives (specific objectives) which would help achieve its goal.
Some of these initiatives (specific objectives) would be
- to establish an number of specialized clinics in rural, suburban, and poor areas,
- to organize vaccination programs for a number of mothers and infants,
- to establish regular health checkups, for a well-defined target population
- to initiate health awareness programs, reaching a well-defined target group
- to establish subsidized nutrition programs, etc…
Each of these specific objectives requires a large number of activities (projects, programmes, etc) in order to be realized.
The ministry would also establish contacts and work relations with international and local organizations who have similar goals and acquire their expertise in operating, establishing, and initiating such programs to increase the chances of meeting the outlined goals.

The same goal to "Reduce Infants Mortality" would also be of interest to the Ministry of Social Affairs, which will consider it within its scope of intervention and programs, and coordinates with all concerned parties (local and international organizations) as well as the Ministry of Health in this respect.

4.7.2. Requirements for strategic goals, and specific objectives

The success of any strategic plan is dependent on its plan's realism.

The **strategic goals** should be
- Within the mandate of the organisation
- In line with its mission and vision
- Address the issues identified during the analysis phase
- If possible realizable within the plan period (4 years)
- Limited in number (three indicatively)
- S.M.A.R.T: **S**pecific, **M**easurable, **A**chievable, **R**elevant, and **T**ime bound.

The **specific objectives** should
- Contribute to realizing (one of) the overall goal(s)
- Address the issues identified during the analysis phase
- Absolutely realizable within the plan period (4 years)
- Limited in number (three to five indicatively) per overall goal
- S.M.A.R.T: **S**pecific, **M**easurable, **A**chievable, **R**elevant, and **T**ime bound.

The **courses of actions**

The strategic plan should also identify the major activities needed to realize the specific objectives. It should
- identify them,
- allocate the prime responsibility for them to the relevant organizational units,
- provide an initial estimate of means needed (budget, staff, equipment, organization).

Courses of actions may include
- feasibility studies
- improvements in the legal and regulatory framework
- investments (buildings, equipment)
- organizational measures (establishment of entities, merging or abolishing them)
- staffing measurements (recruiting staff with specified qualifications)
- changing working procedures (simplifying, abolishing, developing new procedures)
- any combination of the above

Courses of actions may consist of
- complete projects (funded by internal or external sources or donors)
- a series of consecutive activities
- a single action

The strategic plan should identify the courses of actions, but not go into detailed descriptions of the activities, as detailing and the scheduling of the activities over time, from year to year, will the content of the operational plans (Chapter 5)

4.7.3. How to frame the strategic goals, specific objectives and courses of actions

There are various ways of doing this:
1. A top-down approach: first defining the overall goals, then the specific objectives for each overall goal, then the activities for each specific objective, and finally.
2. A bottom-up approach, listing all activities to be carried out, then arranging them according to specific objectives and then sorting the objectives per overall goal.

Logically speaking the first approach is better, but the second could be used as a check. In any case it is a good exercise to list all the activities carried out by the organisation, within the formal mandate or not, and see where they fit into the scheme of overall goals, specific objectives. (If they do not fit in, one might consider not doing them anymore!)

The result may look as follows

Overall Goal	Specific objective	Activity
1.	1.1.	1.1.1.
		1.1.2
		1.1.3
	1.2	1.2.1
		1.2.2.
	1.3.	1.3.1
		1.3.2
2	2.1	2.1.1
	2.2	2.2.1
		2.2.2
	2.3.	2.3.1

Of course, after every number the name of the goals, specific objective, or activity is to be mentioned.
About benchmarks, sources of information and assumptions we will come to speak in chapter ….
Under this table a justification must be given in text for the choice of overall goals and specific objectives.

Action checklist for the coach or SP Team Leader

1. Organize the discussion in the SP Team on the overall goals in a plenary session. .Take care not to identify too many overall goals!
2. Then divide the SP Team in sub-groups. Each sub-group has to define the specific objectives for one of the overall goals.
3. Present and discuss the results of step 2 in a plenary session of the SP Team till you reach mutual understanding and consensus.
4. Let each sub-group design the major activities (projects, consecutive activities, or single actions) per specific objective as follows:
   a. List the activities
   b. For each activity: make a very short description in which you tell
      - the main content of the activity proposed

- who (which unit) within your organization will be responsible. There is always one unit responsible, also if an activity is carried out by a group of staff from more than one unit, or includes outsiders
- which means are needed and where they have to come from. E.g from within the own budget of the organization through re-allocation, or from extra means, or from donor funding, etc.
- which other units (in the own organization) and other organizations have to be involved: (partners, stakeholders etc.)
- the time period needed (how many years/months, from the adoption of the plan)

5. The sub-groups present their activities to the plenary SP Team and discuss it until consensus has been reached
6. The reporter will lay down the results of the discussions as per FORM 13 Explanations may be given in running text, introducing the table and may follow the table as well. Form 14 provides a format for a detailed analysis of activities

4.7.4. Prioritizing specific objectives and courses of actions

Invariably the exercise described above will lead to having more specific objectives and courses of actions than the organization will be able handle: the budgets proposed will exceed the available budget, or the staff proposed will not be readily available. In case the organisation wants to outsource the course of action, also budget is needed.

The first check on the list of courses of actions is to see whether the total budget and total staff is available within the budget, and if not, whether the proposed external funding (extra allowances in the state budget or donor funding) is realistic. The result will often be that the courses of action will have to be prioritized.

There are various ways to assess the priorities. Hereunder two of those approaches are described. They are both elaborated in the toolkit

The first approach is the 'balance' approach which assesses the balance between ease of implementation and expected impact. TOOLS 20 21 AND 22 AND FORMS 17 &18 can assist

When defining the priorities between courses of action, planners need to set a priorities schedule which takes into account "ease of implementation" and "expected impact" based on the area of operation, environment, economy, community and relation to the organisation's overall strategic goals.

Establishing the time limits requires planners to be familiar with the various projects and programs that are involved, and to have a clear picture regarding costs, sources of funding, implementation mechanisms and timelines on one hand, and projects and programmes impact on the other. The more expensive and environmentally damaging a program or project is, the lower the program is placed on the list of priorities. The opposite is true for low cost - high impact programs and projects.

The table hereunder may give some guidance

Easy to implement Ease of implementation	Can be delayed	Implement now
Difficult to implement	Wait	Develop implementation plan now
	low	high
	Expected impact	

Courses of actions with a high impact and easy to implement should be give high priority
Courses of actions with a high impact but difficult to implement should at least be prepared
Courses of actions with lower impact but easy to implement may be delayed
Courses of actions with lower impact but difficult to implement should wait
With 'impact" is meant the possibility to achieve the specific objective.

When using the approach given here, two questions arise
How to assess the ease of implementation and how to assess the impact of courses of actions.
For the assessment of the **ease of implementation** of an activity the TOOL 20 may be used.
The matrix given in the FORM 16 AND TOOL 20 list the factors that may affect the implementation such as the time needed, the resources needed, the degree to which third parties have to be involved, the type of change brought about by the activity, the kind of risks involved, and the relation with the vision of the organization. The activities are scored against all these factors.

For the assessment of the **impact** of an activity the TOOL 21 may be used.
The matrix given in the FORM 16 lists the factors that may affect the implementation such as the short term improvement, the effect on social justice, the effect on competitiveness, the sustainability of the results (environment, social acceptance, financial sustainability), the number of people affected, the effect on the individual citizen. The activities are scored against all these factors.

If the activities identified in first instance exceed the means available the SP Team may use these tools to select the activities that fit within the means available. The activities that are considered not to be within the priorities of the plan should not be forgotten, they may be included in the activities but marked as "if sufficient means become available". They may be considered for implementation if the selected activities suffer setbacks, or if suddenly extra means become available.

The second approach is the **force field analysis**. This approach may be used in addition to the first approach given above, or in place of it.

The force field analysis analyses the forces driving the change and restraining it.

The central idea of this theory is that the present situation with regard to the problem represents an equilibrium between two sets of forces:-

- ➢ Those pushing towards change,   **driving forces**
- ➢ Those opposing the change   **restraining forces.**

Alternatively the analysis can be done in terms of factors which make it easy for those affected by the change to accept the change, that is **driving forces,** and those which discourage those affected by the change from accepting it, that is **restraining forces.**
A detailed description of this analytical model is in **TOOLKIT**

Action checklist for the coach or SP Team Leader

1. Each sub-group has to set the priorities of the courses of actions it has proposed, based on the methodology given above, assessing the ease of implementation and the impact.
2. The coach and the SP Team decide which approach may be used
3. The sub-groups present the priorities of their courses of actions to the plenary SP Team and discuss them until consensus has been reached
4. The reporter will adjust the table of courses of activities as per FORM 15 based on the decision of the SP Team. Under each specific objective they will arrange the activities in logical order, and thereunder list the activities exceeding the means marked as stated above.
5. The table and the introductory and explanatory texts constitute chapter 4 of the strategic plan.
6. Get the approval of the CEO and the managers of the major line departments on goals, objectives, the major activities and the priorities as far as applicable

4.8. Indicators

4.8.1 Definition of indicators

Performance Indicators are always figures. They are measures that show how close an organization is to achieving its goals and objectives, as set in the Strategic Plan. They are also used to indicate good performance, based on international best practices, and as comparative measures between local and similar international and/or concerned bodies.

Strategic Plan Performance monitoring requires the definition of targeted results. Performance is measured based on the difference between achieved results and targeted results. Therefore, the plan goals need to be logical, ambitious, measurable and achievable.

There are several kinds of indicators as show in the table hereunder:

Indicator Type	What is indicated	Question	Example
Input Indicator	Measures the Human and financial resources available for goal or project	What are the available Resources?	- Number of Staff - Number of assistants - Number of work hours - Resources cost
Operations or process Indicator	Measures the methods through which services are provided	What do we do and in what Context?	- Number of concerned customers - Expeditious Transaction Completion - Customer waiting time - Number of Complaints
Product (Output) Indicator	Measures the quality of services and offered products	How do we work, and how do we provide services?	- Number of Transactions per day - Number of transactions per hour
Results (Outcome) Indicator	Measures the achieved results from services and products	What is the result of our performance towards affected parties	- Number of tourists and Overnight visitors - Green spaces completed during year - Number of jobs created - Number of College Graduates per year - Customers and citizens satisfaction index - Employees satisfaction index

For the measurement of success of a strategy mostly **results (outcome) indicators are used**. Only if results indicators are not available, then product (output) indicators or other indicators may be used.

A practical example

For example: the direct measure of "School Dropout Rate" at a specified point in time is 20% at elementary level, 30% at middle school level, and 50% at secondary school level. The targeted "School Dropout Rate" at the end of the plan period is to be reduced to half. Suppose the results achieved at the end of the plan period fall short of the target. Then this would indicate one of two possibilities:

- Targeted results were not realistic or exaggerated
- The organisation's performance was below standard during the plan's implementation stages.

Thus the organisation should address its deficiencies and shortcomings in performance, planning and implementation by reevaluating the curricula, training methods, and examination system in light of the results analysis.

4.8.2. The use of performance indicators

The strategic plan goals and objectives should be made measurable by adding to each goal and specific objective a small number of indicators (one or two indicatively). The result might look like as follows:

Overall goals and specific objectives identifier and progress indicators

Overall Goals	Specific Objectives	Performance Indicators (PIs)	Targeted Values				Activities (Projects and Programmes)
			Baseline	First Year	Second Year	Third Year	
Overall Goal (1)	Specific Objective (1-1)	●					1.1.1 1.1.2 1.1.3
	Specific Objective (1-2)	●					1.2.1.
		●					1.2.2
		●					1.2.3
	Specific Objective (1-3)	●					1.3.1
		●					1.3.2
Overall Goal (2)							2.1.1
Overall Goal (3)							3.1.1.

It is necessary for the targets to be expressed numerically so that it can be measured accurately (Example, Elementary School Dropout rate ...%) FORM 15

Indicators are to be used for both the overall goals and for the specific objectives.
Especially for overall goals, indicators may be found in international benchmarking reports. But also for specific objectives such reports may contain useful material.

For each indicator a base line assessment (the value of the indicator in the current situation) should be available so that later on progress can be measured. Ideally these have been found during the analysis! Otherwise they have to be added to the analysis.

Action checklist for the coach or SP Team Leader

1. Organize the discussion in the SP Team on the indicators for the overall goals in a plenary session. Take care not to identify too many indicators for the overall goals! Most of the time one to three are sufficient.
   Make sure that the data are available to do the base line assessment and to measure the changes during and at the end of the implementation of the plan. If you do not have the necessary statistical material, a priority activity may be to organize the availability of these data!
2. Divide the SP Team in sub-groups. Each sub-group has to define the indicators for each specific objective. Again not too many: one to three two may be sufficient. The result will be presented as per table in section 4.6.2.
   Again: make sure that the data are available to do the base line assessment and to measure the changes during and at the end of the implementation of the plan. They should give the base line and the targeted result at the end of the implementation period of the plan. The intermediate result (after 1, 2 or 3 years) may be left out, as the SP Team sees fit.
3. Present and discuss the results of step 2 in a plenary session of the SP Team till you reach mutual understanding and consensus.
4. The reporter will lay down the results of the discussions in an integrated table as shown above in Section 4.6.2, introduced and followed by running texts with explanations as deemed necessary. This is draft chapter 5 of the strategic plan

4.9 Consultations and alignment

Modern public administration is not carried out by individual agencies at the various levels, but increasingly societal issues require intensive cooperation between agencies in different sectors and at various levels. Just to give one recent example in Lebanon: the improvement of food quality and its compliance with health regulations requires the cooperation between ministries of Health, Interior, Industry, Agriculture, Economy and Tourism and between these ministries and Local Authorities (the Municipality of Beirut operates the slaughterhouse of Beirut)

When designing the activities leading to the specific objectives already partner agencies and stakeholders were identified which have to play a role in the implementation of the programme. These partner agencies and stakeholders have to be made aware of what is expected from them, so that a request for cooperation does not come unexpectedly.

Before approaching partner agencies and stakeholders the top management and decision makers should be updated on the status of the strategic plan under preparation. After that and with their consent stakeholders may be approached.

Partner agencies and stakeholders first should get a good explanation of what the organisation sets out to do. They then should be asked whether they
- Are willing to carry out their part in the relevant activity
- Whether they have the means to do so

If the answer on any of these questions is negative or if reservations are met, the priority of the activity may be revised.

These answers of the partner agencies or stakeholders are seen as preliminary. After the formal adoption of the plan the partner agencies and stakeholders may be formally approached. It is advisable to involve the partner agencies or stakeholders in the design of the activity. This diminishes the chance of unpleasant surprises later on.

Action checklist for the coach or SP Team Leader

1. Check for each activity if the partner agencies and or stakeholder organization that have to play a part have been identified
2. Discuss the strategic plan - as is - with the decision makers and get approval for approaching the partner organisations identified in the draft strategic plan
3. If the decision makers agree, then approach the partner organisations, duly introduced and supported by the CEO
4. After the answer of the partner organization and or the stakeholder shave been received, asses in plenary discussion whether these answers lead to a revision of the priorities of the activities
5. If yes the schedule as produced (FORM 13) should be revised. The reporter may do so on the basis of the discussion in the SP Team.
6. The result is the final version of chapter 4 and 5 of the strategic plan

4.10   Financing the plan

Already when identifying the activities leading to the specific objectives, initial estimates of the costs involved have been made.

This paragraph in the strategic plan serves to give an overview of the financial aspects of the strategic plan. This is important for decision makers both at the level of the organization or at higher levels in order to assess the feasibility and the desirability of the activities in the strategic plan or the strategic plan as a whole.

All activities are to be listed. Of all activities the cost are to be mentioned, divided over
- cost to be covered with the current budget
- cost to be covered by budget increases
- cost to be covered by extra revenues
- cost to be covered by external financing (e.g. donors)

Under cost we understand:
-   all expenditures for investments, establishing or construction,
-   cost of staff (current and extra)
-   cost of outsourced activities (studies, investments, works)
-   operational cost of investments after their completion

Given the way budgets are built-up in the Lebanese public sector it may not be always possible to identify the exact cost of the activities if they are to be covered by existing budgets. In this case the cost estimates will have to be limited to the
- cost to be covered by budget increases
- cost to be covered by extra revenues
- cost to be covered by external financing (e.g. donors)

For the table to be used for the overview of the cost see FORM 17

After the table any explanation may be given to explain the cost or revenue.
The table may be part of the body of the strategic plan, the explanation may go into an annex.

Action checklist for the coach or SP Team Leader
1. Divide the SP Team into sub-groups, and allocate to each sub-group the activities to be estimated.
2. Let each subgroup make a cost estimate of the activities in its part of the strategic plan, in consultation with activity owners and/or the financial department of the organization or anyone able to assist in making the cost estimate

Gather the result of the sub-groups and aggregate them as per table in FORM 17 and put it with introduction and summary explanations in the strategic plan as chapter 6.

4.11.   The strategic plan: a final check

This paragraph is just meant to enable the Team to carry out a final check
The table of content of the plan should look as follows

1 Introduction
2 the current situation
3 the mission, vision and values
4 the strategic goals, specific objectives, and main activities
5 the indicators for success
6 the cost of the plan

The content of the chapters should be as follows

1 Introduction
Short running text on background, the ways of preparing the plan, composition of the SP Team,
stakeholders consulted etc. not more than one page indicatively.

2 The current situation
Running text: the analysis as per section 4.1

3 The mission, vision and values
Running text as per section 4.2

4 The core content of the plan: strategic goals, specific objectives, and main activities
Table as per FORM 13
Explanations in running text

5 The indicators for success
Table as per table in section 4.6.2 with introduction and explanations in running text.

6 The cost of the plan
The table with a short introductory and/or explanatory text

TOOLKIT
At will. The Team may choose to include some tools and forms used during the preparation of the
strategic plan as per manual, but also may include (summaries of) external reports or a list of references.

5   The operational plan

5.1   Definition of the operational plan

An operational plan is a work plan. It describes the activities to be undertaken during the plan period. The plan period is one year. The activities are the activities mentioned in the strategic plan but other activities may be added if they affect the means available for the activities in the strategic plan.

All activities are to be described in a uniform manner. The description should comprise:
1. The various step or phases of the activity
2. The unit responsible for carrying out the various steps
3. Other parties involved and how they will be involved
4. The input needed for each action or project
    a. in terms of money (which budget line, extra resources needed?)
    b. in terms of staff (current staff, extra staff needed?)
    c. in terms of equipment (IT, data, research, buildings etc.?)
5. The time needed for each steps
6. The result to be reached at the end of the plan year: the benchmark
7. If applicable also the indicators and the changes they should undergo during the plan period should be mentioned.

5.2   The preparation of the operational plan

5.2.1   The detailed design of the activities

The first step is to design the activities in some detail step by step.

Most activities comprise more than one phase or step. In case of bigger or complex activities there will be a design phase, an approval moment of the design, an implementation phase and a closure phase with the approval of the implementation, sometimes followed by a follow-up phase.

The design phase is the making of the project plan. A few examples:

Example 1
In case of an investment (e.g. the construction of a building) this may include the drafting of the specifications and drawings of the building and the budget plan.

The implementation will start with the outsourcing procedure, contracting of the contractor, the actual construction of the building, and finally the provisional and final delivery of the building.

Example 2
In case the investment consists of the purchase of equipment, the steps are basically the same: a design phase for the equipment resulting in the specifications, the contracting, the delivery and installation, including training of staff in its use. A follow-up phase may consist of arrangements for maintenance and other after-sale services.

Example 3
In case the activity consist of the design of a policy or a law or regulation, generally there should be a preparation phase, consisting of an analysis of the issue to be addressed, analysis of current legal and policy arrangements, analysis of their short comings and resulting in recommendations for addressing the issue at hand. After approval of the recommendations the regulation is to be designed (by own staff, or outsourced, in which case you may have to carry out a tender procedure). After delivery of the work, an approval procedure will follow and additional implementation regulations may have to be drafted and implemented. Staff should be trained in the interpretation and application of the new policy or law.

Please remember that if there are no sufficient means for the activity,
the first step should be to design a plan or a proposal for the activity, and
the second should be to get staff or budget for the implementation of the activity.

5.2.2   Time, costs and sources of revenue

In all cases all phases of an activity have to be assessed:
- how much time will each step take,
- how much will it cost,
- does the activity generate revenues,
- if not, where do we get the money from?

5.2.3   Target setting

In case an activity last more than one year, and mostly they do, it is very important to define how far the activity has been implemented. What will have been achieved in carrying out this activity after one year?
This intermediate result is called the target. The target should always be verifiable, preferably a quantitative definition, as far as possible.
E.g in the example of the construction:
After one year you may have achieved the preparation and the tender procedure, and 0% of the work
After the second year you may have achieved 50% of the work
After the third year you may have achieved 100% of the work

In the example of the new law
After the first year: the analysis of the issue has been completed and recommendations have been submitted for approval.
After the second year: approval of the recommendations, the law or regulation has been designed and submitted for approval.

After the result to be achieved at the end of the year has been defined, the project form may be filled in as per FORM 19. One form for each activity.

Realism in design and planning

The biggest trap one might fall in is to be too optimistic in the planning. Over-optimism may occur when estimating the time needed for every phase, not only when estimating the time you need yourself to do the work (next to your other work), but also and especially when approval from higher authorities is needed. Over-optimism may also occur when estimating the costs.

5.2.4   Assembling the operational plan

Now the operational plan may be assembled
Essentially the operational plan will consist of
1. a short introduction
2. the overview of the activities as per FORM 20
3. the description of the activities attached as per FORM 19

Action checklist for the coach or SP Team Leader
1. Divide the SP Team into sub-groups, and allocate to each sub-group the activities to be described.
2. Let each subgroup make a description of the activities as part of the operational plan and fill in for each activity the project form as per FORM 19. The sub groups should consult the managers of the units responsible of the project and the relevant other units (Finance, HRM etc)
3. The SP Team chairman checks the forms on completeness.
4. The reporter will assemble the completed forms
5. The reporter will prepare the overview as per FORM 19 and put it in front of the description of the activities.
6. The chairman will write the introduction
7. The operational plan will be discussed by the SP Team
8. The operational plan will be submitted to the decision makers for approval.

6   Monitoring

6.1   Why reporting

In order to find you what the organization actually does, and whether works in the right direction and in the right way, a reporting mechanism is essential.

Remember: Strategic planning must be part of a total <u>planning and control</u> cycle. This means that the strategic planning process must consist of:

- Strategic planning, setting the general direction, the strategic goals, always at long term (3-5 years)
- Operational planning of the actions to be taken to achieve the results defined in the strategic plan, at a short term (one year)
- Control: periodically reporting on the results achieved and the causes of deviations for the plans.
- Adjustments: The control activities may reveal shortcomings on the plans or show that they are no longer up-to-date, and thus lead to adjustment of the plans.

Without reporting, the planning cycle cannot be closed and the earlier phases of the cycle remain meaningless.

6.2   How to report

A report on the activities of the organization should not only list the achievements of the organization, but it also should make a comparison between the achievements realized and the achievements planned. The list of achievements may look impressive by itself, but when you compare it with the planning it may suddenly look poor.

So the <u>first essential element of reporting</u> is the <u>comparison</u> between what the organization wanted to (the operational plan) and what it actually did.

This comparison concerns
- the inputs
    - finance (planned and needed)
    - staff (planned and needed)
    - equipment (planned and needed)
- the outputs (material, e.g. studies, reports, proposals, construction works, planned and realized)
- the results or outcomes (economic or social effects, envisaged and realized)

In life not everything goes as planned, and the same applies to public organisations. There will always be deviations from the planning. The crux is to find out why thing did not work out as planned. The real purpose of reporting should be to learn how to do things better: it is a learning device.

So the <u>second essential element of reporting</u> is to list <u>the reasons for the differences</u> between what was planned and what was realized, and to identify the consequences for future planning.

There may be many reasons for differences:

The most common reason is that the planning was too optimistic:

- The period of time needed to do something was estimated too short, in reality more time appears to be needed
- The input may have been estimated too optimistic. In reality more money or more man-days from the staff is needed
- External circumstances may not have been assessed correctly: partner organisations may appear less committed and helpful than expected, the political decision making may take more time than estimated, etc.

But there may well be factors totally beyond the influence of the organisation, such as sudden changes in the national or even international political or economic circumstances.

In all these cases the planning will have to be adjusted. Time periods may have to be changed, the estimates for the budget and staff need may have to be changed, more time may have to be spent in order to get a better commitment from partner organisations and/or stakeholders etc.

Therefore the third essential element in reporting are the recommendations on how to deal with the differences between planning and results.

The current basis for reporting by national government agencies has been set by the format prescribed by the Prime Minister's Office. This format is not based on a comparison between previous planning and actual results. It is suggested to add to this format the issues mentioned above.

FORM 21 gives the format proposed for the annual report on the operational plan.

6.3   The responsibility for reporting

Reporting is a responsibility of the managers in any organization: the head of the sections and of the departments, and ultimately of the CEO. They may choose to delegate the preparation of the report, but ultimately it is their responsibility that sound reports are produced.

If there is a planning and control section or department, it may prepare the ground work for the reporting. In that case this unit will request department and section heads to prepare the report and assemble the incoming contributions.

If there is no such unit, the CEO may issue the request to the department and sections heads, and have the incoming contributions assembled by someone assigned by him.

6.4   Feedback on reporting

Reporting is useless if there is no feed-back on the reports submitted. This feed-back is the responsibility of the CEO.

It is therefore essential that the CEO organizes annual meetings with the department heads and/or heads of sections to discuss the reports, and very specifically the differences between planning and results and the recommendations before the preparation of the next annual operational plan and the corresponding budget starts. On the basis of these meetings he may issue his instructions to the planning unit or if there is no such unit, to the planning team.