Strategic Planning

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“If you don't know where you are going, you'll end up someplace else.”

Yogi Berra

Please write down your **best and most honest** answers to the following questions...
1. What is the one thing your organization was worst at this year?
2. What is the one thing your organization did best this year?
3. Which department, division, team or function was most responsible for standing in the way of your organization's success this year?
4. Which department, division, team or function was most responsible for your organization's success this year?

-Predictable Success
by Les McKeown

5. What is the single metric or measurement you least liked hearing about this year?
6. What is the single metric you will measure your success by? (not how anyone else will measure your success— how you will measure your own success)
7. If you fired yourself today, and came back tomorrow as a new boss with a clean sheet, what would you do?

-Predictable Success
by Les McKeown

What are YOU going to do about it?
Think Strategically

• A strategic plan is a tool used to define an organization’s:
  - Vision & Mission
  - Core Values
  - Threats & Opportunities
  - Strengths & Weaknesses
  - Short- & Long-term Goals

Think Strategically

• Guides Business Processes:
  - Operating Budget
  - Capital Budget

• Measures Performance:
  - Identifies Key Performance Indicators
  - Sets Targets

Think Strategically

• In general, agencies are better at developing plans than they are at implementing them - a plan on a shelf is of no use to anyone.
Uses of Strategic Planning

- Multi-year planning
- Performance measurement program
- Market analysis – service changes
- Marketing plans - outreach
- Financial planning
- Comprehensive planning as part of other jurisdictions

Benefits - Internal

- Creates organizational vision & direction
- Helps agency become more customer focused
- Creates better alignment between governing body, management & staff

Benefits - Internal

- Promoting greater board ownership of overall agency initiatives and less emphasis on "pet" projects
- Improving agency customer focus
- Sets out a 3-5 year focus vs. year-to-year budget plan (establishes a long-range view in decision making and priority setting)
Benefits - Internal
- Increases interdepartmental coordination
- Makes departments & agency as a whole more accountable for results
- Helps identify areas for improvement
- Empowerment of staff as well as management

Benefits - Internal
- Aids in decision making & setting priorities
- Can assist in more efficient & effective use of resources
- Helps determine need to expand or reduce services

Benefits - External
- Increases funding opportunities
- Helps define agency’s core responsibilities to the community & service area
- Increases external stakeholder awareness & input resulting in greater support
Stakeholder Analysis

Who are the stakeholders?

What are their needs?

What are their interests?

Who are the stakeholders?

Schedulers
Directors
Managers
Planners
Drivers
Finance
Reservationists
Customer Service
Dispatchers
Schedulers

Internal Stakeholders

Board members
Maintenance

External Stakeholders

Regional planning agencies
Council of Governments
Local government
Human service agencies
Toll authorities
Businesses
Federal agencies
Educational institutions

Developers
Organizations
Law enforcement
Emergency responders
Tribal Leaders

Tribal Leaders
Federal agencies
Businesses
Toll authorities
Human service agencies
Council of Governments
Local government
Educational institutions
Emergency responders
Law enforcement
Organizations
Developers

AGENCY

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Mission, Goals and Objectives

• Mission statement
  – A clear and succinct representation of the organization’s purpose for existence
  – The mission statement describes why the public transportation system exists

Mission Statement Example

“We at Metro Transit deliver environmentally sustainable transportation choices that link people, jobs and community conveniently, consistently and safely.”
Mission Statement Example

“At Namekagon Transit it is our goal to provide safe, reliable, and efficient transportation to the residents in our service area.”

Mission, Goals and Objectives

• Goals
  – Broad statements of what the transit agency hopes to achieve
  – Focused on outcomes or results
  – Qualitative in nature
  – Used to establish policy
  – Determines the organizational direction

Mission, Goals and Objectives

• Well written goals are S M A R T
  – Specific-easy to understand, no interpretation needed
  – Measurable-easy to determine if accomplished
  – Attainable-a challenge, but within reason
  – Relevant-linked to the agency’s mission
  – Time limited-must have a timetable
Mission, Goals and Objectives

Well written goals...
- Improves communication
- Reduces micromanagement
- Encourages employee innovation
- Communicates the right message to the public

Objectives
- Steps towards achieving a goal
- Typically 2-3 objectives for each goal
- Should be aligned with performance measures
  - Measurable
  - Specific

- Quantitative and/or qualitative
- 1-2 year timeframe
- Should be easily understood
- Should not be difficult/expensive to measure
"There is often a significant gap or breakdown between completing a strategic plan and implementing its recommendations. Too often the focus is on the production of a plan document and not enough emphasis is placed on its execution."

“How to Develop a Strategic Plan That Won’t Gather Dust,” by Richard Simonetta, CEO, Valley Metro Rail, Inc., Phoenix, AZ

Process

Deciding who should be involved in the planning process

Roles for participants

Appropriate time frame for process

Process

• Identify key strategic issues facing the organization & formulating strategies to manage these issues
• Evaluating progress & making mid-course corrections as necessary
Process

- Implement planned strategies to improve an agency’s effectiveness by:
  - Goal Setting
  - Leadership Development
  - Team Building
  - Employee Feedback Surveys & Meetings
  - Education Programs & Staff Training
  - Coaching & Counseling Employees
  - Developing Reward & Recognition Programs

Process

- Recognize challenges
  - Inadequate staff resources
  - Operating pressures (lack of time)
  - Always putting out “fires”
  - Inability to enter new “markets” or alter service area
  - Financial constraints

Process

- Stumbling Blocks...
  - Difficulty of staying focused on strategic issues throughout the year in light of pressing day-to-day issues
  - The use of goals that are too broad & do not provide enough guidance for priority setting
  - Inadequate communication & participation
Assessing the organization’s environments to identify:

- **Internal**
  - Strengths
  - Weaknesses

- **External**
  - Opportunities
  - Threats

**XYZ TRANSIT** is considering expanding operations to a growing part of their service area that is planning new housing, businesses and a middle school. Streets and other infrastructure are now under construction in the new growth area. Your funding, staff and equipment are stretched thin. Local transit advocates are very vocal. Your board is hesitant without establishing a new revenue stream. The media is closely monitoring the discussion.
15 Strategies for Success

1. De-emphasize the formality of process

2. Keep level of data & analysis reasonable for size of agency (One size does not fit all)

3. Keep cost in relationship to benefits

4. Know difference between long-range planning and strategic management

5. Be realistic about capabilities of agency – Make the plans & goals ambitious, but attainable

6. Set priorities and clearly define objectives for strategic management process

7. Management and governing body must be seriously committed to the planning and management process

8. Clear communication about process so everyone understands their role in its success

9. Objectives must be stated in a way that are measureable
15 Strategies for Success

10. Clear linkage must be made between the plan and budget
11. Broad participation & involvement from all stakeholders
12. Assignments of responsibility need to be made for implementation
13. Once started, the process should be flexible and continuous

14. There must be milestones and performance measures must be established to measure progress & celebrate achievements
15. Recognize that change is difficult & it will take time and effort

Best Practices

• Annual goals & objectives with quarterly reviews & presentations to the board of directors (governing body) to ensure plan moves from paper to implementation
• Educating the board of directors (governing body) helps them articulate the goals of the agency externally and work in support of the agency’s vision and mission
Best Practices

• Linking the strategic plan to the operational and capital budgets ensures the resources needed to support the plan are available.

Best Practices

• Strategic plans can be used to justify a need to increase funding by showing that the agency requires more resources to meet the needs of its service area & how those resources would be used.

Best Practices

• Strategic plan must be linked to performance measures in order to monitor whether or not:
  – Plans are being achieved
  – Corrective action needs to take place
**Best Practices**

- Specific performance measures tied to plan and reported on monthly, quarterly, semi-annually, and tracked on a yearly basis creates accountability for implementation.

**Resources**

- TCRP Synthesis 59 “Strategic Planning and Management in Transit Agencies” 2005