

StratAlign's Approach to Strategic Planning and Annual Performance Planning (APP) in the Public Sector

It is critical that Strategic Planning in the Public Service be regarded as more than just a compliance issue. It is an opportunity for stakeholders in an organisation to reflect on their organisation, its goals and practices, and review and refine such practices to better serve their constituencies. Consequently, StratAlign has developed an approach to strategic planning and APP's which is outlined below.

Principals and Tools

Essentially strategic planning is a structured creative thinking process about the way in which an organisation will take advantage of current and future market and or contextual opportunities. The process results in a Strategic Plan. Accountability to ensure that this happens rests with the Board of Directors in most modern organisations.

Strategy is different from operations and is not simply continuous improvement on what we have done before. In its most compelling form strategy is "going boldly where none have gone before", creating the opportunity for an organisation to think new thoughts, forge new directions and blaze new trails within their industry. In essence this means answering the question "What are we doing that our competitors are not doing and cannot easily replicate?"

However, we can only go boldly where no-one has gone before when we know where everyone has been before and currently is. This requires thorough industry and competitor analysis. Nonetheless, it is vital to appreciate that strategy does not magically appear after situational analysis is completed! Hard creative work is required!

Strategy is the result of intensive creative effort based on a sound knowledge of the current context. It is about making sure that the right people at the appropriate levels in the organisation apply their minds within a managed process to achieve a creative compelling, market relevant strategic plan.

Essentially strategy processes seek to answer three critical questions:

In principle strategy can be divided into three sections. These three parts are characterised by three questions:

- **Where are we?** – This is the key question for the Situational Analysis dimension of strategic planning. A strategy is always a considered response to a specific context – and the better the context is understood the greater the likelihood of developing an appropriate and innovative response.

Here stakeholders will obtain a clear picture of the current situation both within the Organisation and in the environment within which the organisation works as a basis from which to review the Strategy. This will include at least the following:

- A reminder of the legislative framework and mandate of the Organisation and the current Strategic plan
- SWOT analysis which provides an overview of internal and external perceptions of the organisation.
- A PESTLE analysis where the Political, Economic, Social, Technological, Legal and Environmental context in which the Organisation operates is carefully examined to consider how the Organisation needs to respond to its environment.
- Consideration of issues raised during the preparation phase.
- A reflection on the current needs of key stakeholders

It is critical that this analysis is properly integrated into the rest of the strategic planning process and used to guide deliberations. The outcome of this part of the process will be a clear understanding of the challenges and opportunities facing the Organisation.

- **Where do we want to be?** – This question provides opportunity to review the following:
 - Vision, Mission and Core Values of the Organisation
 - The Strategic Goals for the Organisation including the Strategic Objectives within each Goal which form the basis of the programmes

It is recognised that the focus of the two workshops under consideration is not necessarily the formulation of a comprehensive strategy for the Organisation but rather a focused identification of the specific challenges facing the organisation and the development of strategic responses thereto. However, such responses need to be placed within a strategic and systematic framework for the desired integration and cooperation to result. Hence our approach here will be to both focus on the traditional strategy questions as well as the specific challenges arising from the contextual conversations. In this way the outcomes of the workshops will be achieved in such a way as to contribute to the 5 year plan and APP which is to be submitted in the near future.

- **How will we get there?** - In this part of the programme we will review the actions and resources required to meet the challenges. This will include:
 - The activities to be undertaken by the Organisation in pursuit of agreed goals and the resource requirements necessary to enable such activities
 - The impact on the Organisation activities of the National Development Plan and effect internal resources allocation
 - The action plans, both internally and externally to enable cooperation and integration.
 - Prioritising, assigning and setting time frames for strategic objectives
 - The mapping of objectives against the SWOT and PESTLE Analysis to ensure a tactical plan to optimise strengths, overcome weaknesses, pursue opportunities, mitigate threats and respond to the environment in which the Organisation operates.
 - A risk analysis of what could inhibit the execution of strategic goals and how these risks can be mitigated

All of the above will be aligned with the PFMA and the Organisation Planning guidelines.

Participatory Methodology

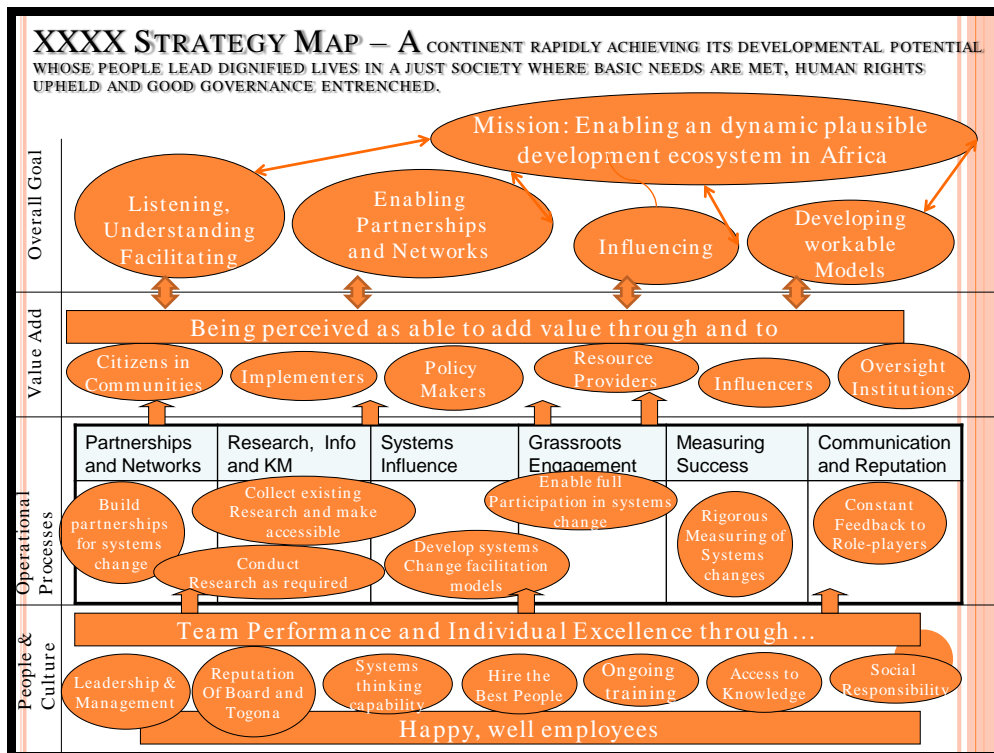
It is important in the strategy process to not only engage with decision makers but also to benefit from the knowledge and experience of other stakeholders in the strategy process, namely, the employees who do the work, the

customers who benefit from the work and the service providers who contribute to the achievement of the organisations goals. For this reason we believe in an inclusive process where decision makers have the benefit of the experience and wisdom of a range of stakeholders. The ability to execute the strategy is also significantly enhanced if those who are involved in implementation are a part of the formulation of the strategy. Buy-in and commitment are likely to be greater with this methodology. In addition, the quality of the strategy is greatly enhanced when the ideas and thoughts of a broad range of stakeholders is embraced in the process to enrich the strategic conversations.

StratAlign's facilitators are all highly experienced in the management of complex meetings and have all the capabilities necessary to ensure the following in all facilitated sessions:

- Conversations are directed towards the achievement of the desired outcomes
- Participation is maximised
- Participants are enabled to listen to one another
- Questions are asked to open constructive debate and dialogue
- Participants remain focused on the matter at hand
- Disagreements and conflicts are effectively managed
- Consensus is achieved wherever possible
- Problems that arise are solved through structured problem solving processes
- Key issues are identified, summarised and communicated to all participants

A particularly useful tool at the end of a strategy process is the preparation of a strategy map using the Balance Scorecard Methodology as illustrated below.

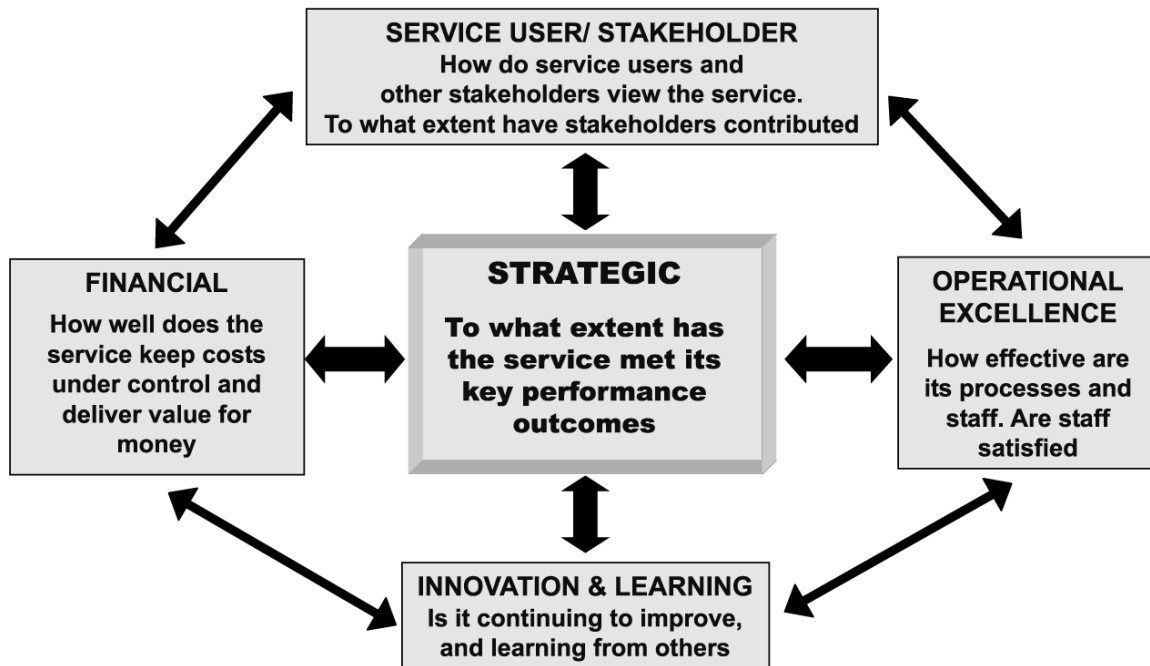


The **execution of strategy** is dependent on five key realities:

- The quality of the strategic leadership offered to the organisation from both executive and non executive leadership
- The degree of perceived participation on the part of all stakeholders in the strategy development process – this is determined by the degree to which people in the Commission claim the strategy as their own – rather than calling it “management’s strategy”.
- The development of a clear organisation plan to implement the strategy including the clarification of the relationships between role-players. In the case of Public Sector organisations this takes the form of an Annual Performance Plan (APP).
- The translation of strategy into clear and specific performance plans for of the people working within the organisation
- A culture within the organisation in which the people involved in the organisation behave in such a way that it maximises the possibility of achieving goals.

We are familiar with and have frequently used the **National Treasury Guidelines** for both Strategic Planning and Annual Performance Planning. We believe this can be enriched with use of the Public Sector Balanced

Scorecard approach in the preparation of Annual Performance Plans, Departmental Business Plans as well as Executive Performance Plans. This is illustrated below:



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