AGENDA

DEL NORTE SOLID WASTE MANAGEMENT AUTHORITY
CITY OF CRESCENT CITY
COUNTY OF DEL NORTE
STATE OF CALIFORNIA

Crescent Fire Protection District Meeting Room
255 W Washington Boulevard
Crescent City, CA

Special Session **Thursday August 21, 2014** **2:00 PM**

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The Solid Waste Management Authority of the City of Crescent City and the County of Del Norte, State of California, is now meeting in Special Session.

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All documents referred to in this agenda are available at the Office of the Del Norte Solid Waste Management Authority at 1700 State Street in Crescent City, between the hours of 8 A.M. and 5 P.M. Monday through Friday OR online at www.recycledelnorte.ca.gov

For more information call 465-1100 or email dnswma@recycledelnorte.ca.gov

2:00 PM **CALL MEETING TO ORDER**
PLEDGE OF ALLEGIANCE

PUBLIC COMMENTS: ANY MEMBER OF THE PUBLIC MAY ADDRESS THE SOLID WASTE MANAGEMENT AUTHORITY ON THE AGENDIZED ITEM ONLY. After receiving recognition from the Chair, please give your name and address for the record.

1. **Discussion regarding Options 1 through 4 as presented in "Final Report - Assessment of the Del Norte Solid Waste Management Authority" (R3 Consulting Group, May 14, 2014), including the process and possible development of elements of a strategic plan for the Del Norte Solid Waste Management Authority. ****

ADJOURNMENT

Adjourn to the next regular meeting of the Del Norte Solid Waste Management Authority scheduled for 3:30 PM September 10th, 2014 at the Del Norte County Board of Supervisor's Chambers, 981 H Street, Suite 100 in Crescent City.

**** Asterisks next to Agenda Item indicates an associated attachment**

Del Norte Solid Waste Management Authority

1700 State Street, Crescent City, CA 95531
Phone (707) 465-1100 Fax (707) 465-1300

Staff Report

Date:	**18 August 2014**
To:	**Del Norte Solid Waste Management Authority Commissioners**
From:	**Tedd Ward, M.S. – Acting Director / Program Manager Del Norte Solid Waste Management Authority**
File Number:	**231501 – Authority Work Plans**
Attachment:	**Strategic Planning from the MRSC website "Strategic Planning: A Ten-Step Guide" by Emily Gantz McKay, Mosaica**
Topic:	**Options from the R3 Report and Strategic Planning**

Summary / Recommendation: Attached are background documents suggested by Terry Supahan, who will be facilitating this meeting.

Considering the text of the 'Final Report – Assessment of the Del Norte Solid Waste Management Authority' (R3 Consulting Group, May 14, 2014), staff advises the Authority Board engage as follows prior to taking any action on any of the Options presented in that report:

1. **The Board should consider and discuss the process, elements, and timeline for developing a strategic plan for the Del Norte Solid Waste Management Authority, and direct staff accordingly.**

Staff anticipate that the Board will not have adequate time to complete development of goals or other elements of a strategic plan at this meeting without additional efforts at subsequent meetings.

Background: The Executive Summary of the R3 Report states:

"There is… significant opportunity and potential to restructure how the Authority functions to provide for more efficient and cost effective use of staff and other resources. Any restructuring of the Authority should focus on streamlining and improving management and administrative functions, including financial management policies and procedures, and reducing management and administrative staffing levels to bring them more in line with that required to effectively administer the current responsibilities of the Authority. Based on our review, it is

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the City of Crescent City and County of Del Norte
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clear that it is not necessary to staff both the Executive Director and Program Manager positions to effectively administer the current responsibilities of the Authority. While the Authority is the most effective entity for managing solid waste in the County it has few documented objective standards to serve as a basis for directing the Authority's long term efforts and assessing the Authority's performance. Clearly a major objective of the Authority is to comply with all applicable regulatory requirements and it has done a good job in that respect. There have been relatively few regulatory issues over the past 5 years and where such issues have arisen, staff has effectively addressed them to the satisfaction of the regulatory agencies.

Beyond that however it is not clear what the Authority's long range strategic priorities are (e.g., developing cutting edge programs, achieving a diversion rate consistent with the State's 2020 75 percent diversion goal, increase diversion by 10 percent by 2020, maintain current diversion rate and existing programs and services, reduce costs, etc.).

Authority management staff develop annual Work Priorities (see Appendix A for the Fiscal Year 2013-2014 Work Priorities) which are regularly reviewed by Authority Commissioners and that provide a general framework for organizing short term and ongoing management and staff activities. However, those annual priorities are developed without the benefit of clearly defined long range strategic priorities and associated goals and objectives.

While Authority Commissioners have input on the annual Work Priorities that are established, they too are faced with providing such input without clear long range goals and objectives that are consistent from Board to Board over time. We recommend that the Authority not be disbanded and continue to serve as the primary agency responsible for managing solid waste in the County. We also suggest that now is an appropriate time for the Commissioners to set a clear direction for the Authority over the next 5 to 10 years, clearly establish short, medium and long range goals and objectives and determine appropriate management and administrative staffing levels to support the long range goals and objectives that are established.

We also suggest that the Authority Commissioners and management staff undertake an annual business planning process that would provide a mechanism and forum for reviewing, among other things, opportunities for cost savings and potential changes to programs, services and functions to support the specific short, medium and long range goals and objectives that are established.

For this project, R3 was tasked with answering a specific set of questions that the Authority identified. While there were a number of questions specific to Staffing and the Executive Director Position, the question: "What are appropriate management and administrative staffing levels for the Authority" was not specifically asked and regardless cannot be definitively answered that at this point. The appropriate level of management and administrative staffing levels for the Authority is dictated in part by what it is the Authority wants to accomplish over the next 5 to 10 years and beyond.

Given that such specific medium and long range goals and objectives have not been clearly established we offer the following possible staffing scenarios. There are various other staffing scenarios that the Authority could also consider. Which option is best depends in part on the long range solid waste management goals and objectives that the Authority establishes, as well as staffing related policy goals. Regardless of which option is ultimately selected, available opportunities to restructure how the Authority functions to provide for more efficient and cost effective use of staff and other resources should be pursued.

The options presented in the R3 report are as follows:

Option #1 Maintain Current Management and Administrative Staffing Levels

Option #2 Reduce Management and Administration Staffing Levels to Support Status Quo

If the Authority's overall goal is to maintain regulatory compliance and existing programs and services (e.g., generally maintain the status quo), but otherwise focus on opportunities for cost savings, which was expressed as a general goal by a number of the Commissioners, we suggest that:

The Executive Director and Program Manager positions be combined into a single full time Solid Waste Manager position. That position would assume the current responsibilities of those two separate positions. Based on our review, we believe that such a consolidation of responsibilities could be effectively achieved, although prior to doing so the Authority should review the job responsibilities of both of those positions, eliminate or defer non-essential tasks and delegate certain other required tasks to administrative staff, the County and/or Recology and Hambro/WSG (Hambro) where that can be done effectively to the benefit of the Authority.

Combine the Administrative Assistant and Account Clerk staff positions into a single new Management Analyst position staffed with a person with administrative, financial and accounting skills. Conduct a full review of all administrative and accounting systems and streamline those systems, as appropriate. Maintain the 0.5 FTE Refuse Site Position which has been cross trained and is working out of class to assist with accounting and administrative duties and provide staff, vacation and sick coverage.

Option #3 Contract the Executive Director Position

Same as Option #2, however the new Solid Waste Manager position would be a contract employee. This is not necessarily a potential cost issue as much as a staffing policy issue.

Option #4 Contract Scale House Staffing to the Private Sector

Contract the operation of the transfer station scale houses to the private sector provided this can be done effectively with a net economic benefit to the Authority. This option could be incorporated as a component of each of the above three options.

Note: The recent court action (Costa Mesa City Employees Assn' v. City of Costa Mesa) raises the question of whether this option is legally permissible.

Analysis: Despite clearly indicating that appropriate staffing levels cannot be definitively determined based on their analysis, the R3 report suggests that administrative staffing positions could potentially be combined if such actions were supported by a strategic plan. These two statements are in conflict, and implicitly anticipate the results of a strategic planning process the Authority has not yet completed.

Staff agrees with R3 that Joint Powers Authorities (JPAs) are very different and very difficult to compare because they have different responsibilities. We also agree

with R3 that the Authority's set of responsibilities is ***unique***. R3 based their main argument for the elimination of Authority staff positions on comparisons to other agencies which, to the extent of our knowledge, appear to have very different responsibilities.

For example, they compare the Authority to Sonoma's JPA. Sonoma's JPA does not own or operate any facilities, operate any scalehouse or gates, or collect any receipts. Sonoma's JPA does not manage a landfill site, has no responsibility for garbage at all, and no responsibilities for franchise procurement, negotiation or management. Nonetheless currently Sonoma employs: an Executive Director, a Department Analyst, one Program Manager for Household Hazardous Waste, another for Education, another for Education/Planning (currently vacant) and one Senior Office Assistant for a total of 6 FTEs plus legal counsel.

Sonoma's JPA programs include countywide waste planning and education, household hazardous waste, composting, and wood waste recycling. Fully two thirds of their staff time is spent on planning and education. Comparing DNSWMA to this JPA is like comparing apples to oranges.

Furthermore, Sonoma's JPA has the same number of staff positions as they did 10 years ago, whereas the Authority permanently eliminated a position during that same period.

R3 also notes that the Authority is most like the Humboldt Waste Management Authority (HWMA), but there are significant differences in that comparison also. Like DNSWMA, HWMA is responsible for numerous contracts related to waste and recycling, but none of those contracts are for collections. Both agencies have closure/post closure responsibilities for one landfill, though admittedly the issues surrounding their landfill are significantly more complicated and their hazardous waste programs are more convenient and comprehensive. Both DNSWMA and HWMA staff one Transfer Station gate/scale house and receipts 358 days a year. In addition, however, DNSWMA is responsible for operating two outlying transfer stations with receipts whereas HWMA is not. Regardless of population size or volume, both agencies must staff those gate houses during posted hours.

Unlike DNSWMA -- HWMA does **not** negotiate any franchise agreements, and they are **not** responsible for regional agency AB9393 reporting requirements, though they do handle similar reporting for Humboldt County, plus the cities of Eureka and Rio Dell. The other cities in Humboldt have their own city staff address these program and reporting requirements. Regardless of population size or volume, these tasks take a certain amount of staff time.

HWMA has 9 FTE core staff plus 4.5-5 FTE staff on the gate/scale house, plus

additional staff to address landfill and household hazardous waste programs for a total of 18 FTE comparable staff positions. This comparison breaks down quickly, however, because these employees are responsible for additional facilities beyond those sketched here, and HWMA has a total of 35 employees. They are much larger and enjoy certain economies of scale. As far as any comparison goes, DNSWMA has 4 FTE core staff positions at present (including the vacant Director position), and 6 part-time gate/scale staff, for a total of 7-8 FTE staff positions. This can be compared to HWMA's 18 employees with similar responsibilities.

Staff acknowledges that this comparison is not complete or definitive. This additional information is provided only to indicate the depth of information needed to avoid an apples-to-oranges style comparison, and that each JPA has a substantially different set of responsibilities. While it may not be worthwhile or cost-effective to develop comprehensive information in an effort to compare agencies with inherently different responsibilities, neither should Board decisions rely upon comparisons based only on the number of partners, population, and volume.

R3 acknowledges that ***"...the question 'What are the appropriate management and administrative staffing levels for the Authority' was not specifically asked and regardless cannot be definitively answered at this point."*** Staff agrees with this statement. The draft report specifically acknowledges that Options #2 and #4 require further analysis and/or legal opinion. Under Option #2, it is not at all clear how R3 can present an Option for permanent reduction in Authority staff – cutting the number of core positions in half - while claiming that this would be 'Status Quo.' Option #3 would also depend on some yet-to-be-produced analysis justifying the consolidation of the Executive Director and Program Manager positions prior to enactment.

Though the Authority could pay for a consultant to assist with the development of a 5 or 10 year strategic plan, the following year a new Authority Board of Commissioners could abandon that plan and adopt a completely new plan the following year. For this reason, the first amended Joint Powers Agreement adopted in 2012 clearly describes the Authority's Purposes for existence, and the associated Work Plan is reviewed annually by the Board of Commissioners as it is renewed.

Alternatives: 1. The Board could hire a Director prior to starting a Strategic Planning process. This action would likely require a revision of the job description for the Solid Waste Manager position. It would also position the Authority for more rapid development and implementation of a strategic plan. This position is funded within the budget for fiscal year 14/15.

Fiscal Impact: Strategic Planning can be a significant investment of time for Commissioners, the public, staff, and the contractor facilitating the process. The cost of strategic planning will vary depending on the scope of the plan to be developed, but could be expected to cost between $30,000 and $120,000. Accelerating or short-changing this process will likely reduce the quality and/or usefulness of the resulting strategic plan.

Reducing administrative staffing could increase expenses for the Authority Treasurer, legal counsel, and contractors, and will not necessarily correspond to cost savings, continuing compliance with all responsibilities, or increased efficiency of the Authority.

Updated 01/2013

Strategic Planning

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Introduction

Strategic planning is the process by which leaders of an organization, such as a local government, determine what it intends to be in the future and how it will get there. It involves developing a vision for the organization's future and determining the necessary goals, priorities, and action strategies to achieve that vision

A strategic plan serves as a community's roadmap and is used to prioritize initiatives, resources, goals, and department operations and projects. The strategic plan is a big-picture document directing efforts and resources toward a clearly defined vision.

This webpage provides basic information about strategic planning for local governments, including general background information and examples from Washington communities.

Strategic Planning - Why do it?

- Perspectives on Strategic Planning in the Public Sector, by Richard D. Young, University of South Carolina, Institute for Public Service and Policy Research, 2003
- Was I Elected To Do What the People Want or to Govern Well? by Carl H. Neu, Jr., MRSC Council/Commission*Advisor*, February 2007
- Why do Our Meetings Take So Long?, Carl Neu's August 2008 MRSC Council/Commission*Advisor* column provides an excellent starting point for consideration of this topic, tying together many of the strategic and procedural issues that should be addressed by all local government legislative bodies interested in becoming "truly effective leaders, policy setters and stewards of the nature and quality of a community's future."

Strategic Planning Process - How to Do it

- Community Visioning and Strategic Planning Handbook, The National Civic League, 2000 - Lays out the framework of the successful community planning processes used by the National Civic League and others across the country. Older but still useful
- Elements of Strategic Planning and Management in Municipal Government: Status after Two Decades, Theodore Poister and Gregory Streib,*Public Administration Review*, January/February 2005
- Getting Your Priorities Straight, Chris Fabian, Scott Collins, and Jon Johnson,*PM Magazine*, June 2008
- Normandy Park Sightlines 2030 - Visioning Strategic Plan - PowerPoint presentation to WCCMA 2009 Summer Conference by Doug Schulze, City Manager
- Strategic Planning: A Ten-Step Guide (), prepared by Emily Gantz McKay, Mosaica, 05/1994 and 07/2001 - Useful general guide to strategic planning for all types of organizations
- Strategic Planning for Local Government, by Gerald L. Gordon, 2nd Ed., International City/County Management Association, 2005 (Available throughMRSC Library Loan) - Key resource for local governments on this topic

- 2008 Vancouver Strategic Plan - Includes links to city council strategic planning workshops, citizen feedback findings (survey, stakeholder groups and outreach), and related documents

Strategic Issues - Food for Thought

- An Opportunity for Creative Destruction, Robert O'Neill, *Governing*, October 21, 2009
- Building a Financially Resilient Government through Long-Term Financial Planning, Shayne Kavanagh, *Government Finance Review*, December 2009
- The Future Isn't a Gift. It is To Be Achieved, Carl H. Neu, Jr., MRSC Council/Commission *Advisor*, March 2011
- Leadership in These Turbulent Times, Carl H. Neu, Jr., MRSC Council/Commission *Advisor*, February 2009
- Local Government: "If you can keep it," by Carl H. Neu, Jr., MRSC Council/Commission *Advisor*, July 2012
- 'RESET' Stewardship for City Governments: 2009-12, Carl H. Neu, Jr., MRSC Council/Commission *Advisor*, September 2009
- Strategic Planning in Local Government: Is the Promise of Performance a Reality? Lauren M. Edwards, dissertation, Georgia State University, 01/06/2012, Digital Archive
- These are Transformative Times, Carl H. Neu, Jr., MRSC Council/Commission *Advisor*, March 2010
- Trends to Watch in 2010, by Elizabeth Kellar, Joshua Franzel, Danielle Miller Wagner, and Joan Mccallen, *Public Management*, January/February 2010
- Where Change Really Happens in Government: Who Will Save Us? Ken Miller, *Governing*, June 11, 2010

Strategic Planning Documents

This section includes selected examples of strategic plans and related materials from Washington cities, counties, and special districts.

Washington Cities and Towns

- Chelan Strategic Plan 2008 - 2009
- Edmonds Strategic Planning and Visioning - Links to Strategic Plan 2011-2012 and background information
- Mill Creek Strategic Plan (12 MB), 2012
- Richland Strategic Leadership Plan - Five-year goals for 2013-2017
- Shelton Strategic Plan 2013-2018 (), adopted 12/2012
- Shoreline City Council Goals and Workplan
- Snohomish Strategic Plan 2013 - 2018
- Spokane Strategic Plan
- Spokane Valley 2011 Business Plan
- Tacoma
  - Tacoma Strategic Plan - Includes annual city council priorities
  - Strategic Plan: Tacoma Tomorrow 2005-2010
  - Tacoma Strategic Direction 2008-2012
- Vancouver Strategic Plan 2008 and other related documents

Washington Counties

- Clallam County Mission, Core Values and Strategic Goals
- Cowlitz County Strategic Plan 2009
- King County Strategic Plan, 2010-2014
- Lewis County Strategic Plan 2009 - 2012

Washington Special Districts

- Fort Vancouver Library District A Community-Focused Strategic Planning Process, 2006-2008
- South King County Fire and Rescue Master Strategic Leadership Plan, 08/2008 Update

STRATEGIC PLANNING: A TEN-STEP GUIDE*

I. IMPORTANCE OF PLANNING

There is broad agreement among nonprofit leaders and experts that planning is a critical component of good management and governance. Planning helps assure that an organization remains relevant and responsive to the needs of its community, and contributes to organizational stability and growth. It provides a basis for monitoring progress, and for assessing results and impact. It facilitates new program development. It enables an organization to look into the future in an orderly and systematic way. From a governance perspective, it enables the Board to set policies and goals to guide the organization, and provides a clear focus to the Executive Director and staff for program implementation and agency management.

Most organizations understand the need for annual program objectives and a program-focused work plan. Funders require them, and they provide a basis for setting priorities, organizing work, and assessing progress. A growing number of Hispanic community-based organizations go beyond funder requirements to develop annual objectives and operating plans which also include a systematic plan for resource development, organizational development, and in some cases Board development. Most groups find it practical to define objectives for a 12-month period, and to design strategies and programs to meet them.

Longer-range planning – planning beyond the next year or two – often seems more difficult and less rewarding. With the external environment changing so rapidly, Board members and senior staff ask, how can we expect to develop plans that will remain relevant? With so little control over external events, how can we hope to influence them in a way that benefits our community?

In fact, planning is no less important in a changing environment; it may well be more important. Most Hispanic community-based organizations exist to serve a specific community. To do that, they need to be very clear on community needs and then work to address them through similarly clear organizational missions, priorities, target groups, and objectives. If the external environment – funding, the economy in general, government enforcement of civil rights laws, etc. – is changing or hostile, then our organizations must be that much more effective in defining needs and marshaling internal and external resources to meet them. The community's needs will change over time, but the most basic ones – such as access to high quality educational services, job training, employment opportunities, safe and affordable housing, sufficient financial resources to meet basic needs, human services directed at various age groups and special needs populations, and a secure environment – remain fairly constant. The challenge of meeting them can become greater with changes in the local or national

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* Prepared by Emily Gantz McKay. Based on materials originally prepared for use with SHATIL, the technical assistance project of the New Israel Fund. Modified for the National Council of La Raza, and further modified for MOSAICA, May 1994 and July 2001.

environment, such as a poor economy or a hostile or unresponsive government, however; and it is here that strategic or long-range planning can be most helpful. Planning is designed to help an organization define its vision for the future and then determine systematically how it will get there, understanding obstacles and figuring out ways to overcome them.

There is an important caveat: Longer-range planning requires some level of organizational stability. It is very difficult to plan in a crisis, and unrealistic to look five years ahead unless an organization has some confidence that it will exist next year, and that most of its key staff and its Board leadership will continue to be affiliated with the organization. Board and staff also need the time to plan, which means that they must not be using every minute to carry out functions required for survival. Moreover, while planning provides increased organizational definition, a sound base for planning is consensus concerning a well-defined mission statement and/or organizational goals – these must often be developed as a foundation for longer-term planning. It is also difficult to plan if the organization is so young or its leadership so new that they do not have a good sense of the community and of the broader external environment. Most new organizations, or groups which have undergone major institutional difficulties or change, find that they do best by first attempting to reach consensus on an organizational mission statement and then doing shorter-range planning, usually for a single year. Learning from that experience, they can begin a longer-term planning process.

Planning that focuses on a period of three years or more requires an organized, serious effort which takes time and energy. There may need to be a formal community needs assessment as input to planning. This is extremely valuable, but also demanding. Moreover, planning is not a one-time effort; any plan needs to be reviewed, monitored, and updated. The benefits to an organization can be significant -- a clear focus, a sense of joint purpose and agreed-upon priorities, consensus on strategies, and a basis for measuring progress and impact.

II. DEFINING LONG-RANGE AND STRATEGIC PLANNING

The term *strategic planning* has become very popular in recent years. Many nonprofit organizations now talk about doing *strategic planning* rather than *long-range planning*. Yet the difference between the two is not intuitively obvious, nor universally agreed upon. Following are typical definitions and explanations of the two terms:

Long-range planning: The process by which the leaders of an organization determine what the organization wants to *look like* at the end of a specified period of time – usually three to five years – then use that *vision* to establish multi-year goals and objectives which describe what the organization wishes to accomplish, and develop programs, tasks, and timelines for achieving them. Long-range planning predicts future conditions and realities, internal and external, and plans how the organization can function effectively within them. Because it involves multi-year projections, it cannot be as specific as short-term or operational planning, which generates a work plan with detailed annual objectives, tasks, methods, timelines, and responsibilities. However, it tends to be more focused on specific objectives and timelines than strategic planning.

Strategic planning: The process by which leaders of an organization determine *what* it intends to be in the future and *how* it will get there. To put it another way, they develop a *vision* for the organization's future and determine the necessary priorities, procedures, and operations (*strategies*) to achieve that vision. Included are measurable goals which are realistic and attainable, but also challenging; emphasis is on long-term goals and strategies, rather than short-term (such as annual) objectives. Strategic planning assumes that certain aspects of the future can be created or influenced by the organization. Strategic planning is ongoing; it is "the process of self-examination, the confrontation of difficult choices, and the establishment of priorities" (Pfeiffer et al., *Understanding Applied Strategic Planning: A Manager's Guide*). Strategic planning involves "charting a course that you believe is wise, then adjusting that course as you gain more information and experience" (Wilder Foundation, *Strategic Planning Workbook*).

Differences between strategic and long-range planning: While closely related to long-range planning, strategic planning is generally considered to place a greater emphasis on *strategies* – on *how* the organization will achieve its vision – while long-range planning places greater emphasis on *determining the vision.*

III. A STRATEGIC PLANNING PROCESS

There are many different models and action steps for strategic planning. One approach is summarized below. It assumes a cooperative effort between Board and staff, perhaps with a special strategic planning committee of Board members and staff taking responsibility for the effort. Some of the work can be done in committee, while Board and staff planning sessions or retreats are also likely to be required, both early and late in the planning process. Typical steps are described below, along with some suggested approaches for carrying out each step. *Frequently, Steps 1-3 occur before a strategic planning retreat, Steps 4-7 during the retreat, and Steps 8-10 after the retreat.*

1. **Agree on a strategic planning process.** This may be done at a Board meeting with key staff present, or may require a special meeting or retreat, including Board, key staff, and some external stakeholders. At the session:

   - ✓ Provide an understanding of what strategic planning is and how it is done;
   - ✓ Discuss its potential value to the organization, in terms of providing a common vision and focus, with agreed-upon goals and strategies;
   - ✓ Consider the costs of doing strategic planning, in terms of staff and Board time and other resources – and what might need to be given up in order to develop a plan; if the organization is in crisis or is financially or organizationally unstable, it may be difficult or unwise to enter into a strategic planning process until the immediate problems and needs have been successfully addressed;

- ✓ Consider whether the organization is "ready" for a long-range plan or whether it may best focus on a short-term plan, perhaps doing a one-year plan and then undertaking longer-term planning at the end of that year;

- ✓ If strategic planning seems appropriate, consider what procedures or steps can be used to establish and implement a strategic plan;

- ✓ Agree upon a process and establish responsibilities for the various steps in the process, including at least one day (or several half-days or evenings) devoted to a Board and (all or senior) staff planning retreat or a series of planning meetings.

Except for a very small organization, it will probably be desirable to set up a strategic planning committee or task force. Choose participants carefully, assuring their commitment to the process and their willingness to devote significant time to the planning effort. Usually the coordinating group will include a mix of Board leaders and members, as well as senior and middle managers. Some groups also include a representative of technical and/or support staff. Representatives of stakeholders – funders, sister organizations, and allies – and perhaps former leaders of the organization or other resource people might also be included. The organization may also want to include an outside facilitator or consultant who will assist with the process and with preparation of the strategic planning document – or this may be done by staff.
Be sure to allocate sufficient staff time to the strategic planning process. It may be necessary to reduce the regular workloads or responsibilities of staff and Board members who are expected to play a key role in developing the strategic plan.

2. **Carry out an environmental scan.** This helps provide an understanding of how the organization relates to its external environment. The scan usually includes an external component -- identifying and assessing opportunities and threats in the external environment -- and an internal component -- assessing organizational strengths and weaknesses. This process is often referred to as "SWOT": strengths, weaknesses, opportunities, and threats.

   - **The external component of the environmental scan should include a review of the target or service community and the broader environment in which the organization operates, to identify the opportunities and threats facing the organization.** This might include the following:

     - ☐ Consider forces and trends in the broader community, *political, economic, social,* and sometimes *technological* (See Bryson, *Strategic Planning for Public and Nonprofit Organizations*). Look at changing demographics, political trends, community values, economic trends, the implications of new or changing laws and regulations affecting the organization, communications and other technological trends -- and consider their impact on your organization and the population it serves.

- ☐ Look carefully at the immediate target community or service area to determine its status and needs, and specifically those of current and potential clients and beneficiaries of the organization's services and advocacy.

- ☐ Consider opportunities and challenges related to resources and funders.

- ☐ Look at actual and potential collaborators and competitors, including organizations which may serve the same neighborhood and/or target population or may seek funds from the same funding sources, public or private.

This process may involve something as extensive as a community needs assessment with interviews, focus groups, and fax or e-mail surveys that is conducted by a consultant, or may be limited to a small number of informal discussions with clients and other community residents, heads of other Hispanic and non-Hispanic organizations, public officials, funder representatives, and other appropriate individuals.

- **The internal component of the environmental scan includes an assessment of the organization's strengths and weaknesses.** This may include a number of components or approaches.

  - ☐ You may want to assess current organizational performance in terms of financial and human resources (inputs), operating methods or strategies (processes), and results or outcomes (outputs). If the organization does not have extensive objective measures of its outcomes, perceived performance can be partially determined through asking clients and stakeholders. Try to understand how key players or stakeholders in the broader community -- as well as constituents or clients -- view the organization. Sometimes, brief written forms are sent to, or interviews conducted with, key stakeholders; interviews are best conducted by a consultant, to assure frank and honest responses. Once you have this information, be sure to further analyze the reasons -- in terms of inputs and processes -- for perceived weaknesses in outcomes.

  - ☐ It is often valuable to identify critical success factors for the organization. This step is not always included in strategic planning, but can be very useful. Try to understand what factors are necessary to the future and continued success of the organization. These may be factors like relationship with target community/constituency, resources, program strategies, governance structure, and staff skills

and style. This may be done directly, or the organization might try a method suggested in the Aetna Management Process, which is to use "reverse logic," to identify the elements – the activities, attitudes, assumptions, etc. – that would cripple the organization and keep it from fulfilling its mission. Then use this to identify the critical determinants of success. Both Board and staff can provide useful input to this process.

- ☐ The organization might want to review or formalize organizational values and operating principles. Some organizations have written values and principles which guide their decision making and their ongoing activities. These can be very helpful in "defining" the organization.

A consultant can be hired to assist with the environmental scan, contacting stakeholders to provide an external view and staff to obtain an internal assessment. An organization that s open in its communications may be able to obtain this information without outside assistance, through a staff retreat or a series of meetings with staff in various components and at various levels within the organization. The committee responsible for the strategic plan should work with staff to plan the environmental scan, help to conduct external interviews with community leaders – especially if no consultant will be used, and assure that the Board receives a full report on the results of the environmental scan process.

The result of the environmental scan should be an analysis of organizational strengths and weaknesses and external opportunities and threats. This may be oral or written, and requires careful review and discussion by the strategic planning committee. Often, your strategic planning retreat will begin with a presentation of results of the environmental scan. Sometimes, results are presented at a Board or Board-staff session prior to the retreat. In either case, the Board and staff should be familiar with the findings before strategic planning decisions are made.

3. **Identify key issues, questions, and choices to be addressed as part of the strategic planning effort.** This may mean specifying "strategic issues" or questions that the organization should address, and setting priorities in terms of time or importance. If there is little disagreement about issues and priorities, it may be possible to move immediately to the organizational vision and then goals. If there is no agreement on general directions and organizational goals, it may be important to explore issue priorities and identify critical choices. This might be done in several ways. For example:

    - Board and staff might be asked to identify strategic issues from the environmental scan, with individuals identifying a specified number of such issues and indicating why each is strategic, including the benefits of addressing it and the negative consequences of not addressing it. These issues might involve a wide range of program or other issues – e.g., the need for new programs to address a particular community need such as education or

housing, expansion of the organization's target area from particular neighborhoods to the entire city or county, agreement on who constitutes the organization's constituency, or a decision as to whether the organization should consider merging with another group.

- The planning group or a consultant working with the group might work to identify strategic issues emerging from the environmental scan, and then prioritize them in terms of importance, timing, and feasibility. The result should be a set of strategic issues that will be addressed as part of the strategic planning process, preferably during the retreat, and a second set that will not be addressed or will receive limited attention at the retreat, but will be considered by a Board committee or appropriate staff.

Whatever the method used, the issues discussion should generate some level of agreement about issues or choices to be considered and decisions to be made as part of the strategic planning process.

Once Steps 1-3 have been completed, you are ready to develop a strategic planning retreat agenda and schedule a one- to two-day retreat or a series of shorter meetings.

4. **Define or review the organization's values, community vision, and mission.** Be sure there is consensus on why the organization exists, what goals or outcomes it seeks to achieve, what it stands for, and whom it serves. If it has specific mandates –things it must do or not do based on its articles of incorporation or bylaws, or long-term contracts or grants – then these should be clearly defined. Consider beginning your strategic planning by agreeing on the following:

    - **Organizational core values or operating principles** – those beliefs or principles that guide the organization; these values are shared by Board and staff, strongly held, and not easily changed.

    - **Community Vision** – your vision for the community; it might be viewed as your image of what the community you serve would be like if your values were shared and practiced by everyone. Note that this is your vision for the community, not your vision of what the organization will look like in three to five years or more (that comes later!).

    - **Mission** – the stated purpose for your organization's existence; it might be viewed as your organization's public statement of the contribution it promises to make to help accomplish the community vision.

Agreeing on values, vision, and mission is usually best accomplished as a part of a planning retreat or at a special meeting; the process will usually take several hours, and should include Board and at least senior staff. Often, you will draft the values and mission statement and describe the vision as part of your strategic planning session, and

then the Strategic Planning committee or task force will review and refine the specific language, and bring the refined language to the Board for approval.

5. **Develop a shared vision for the organization.** In some strategic planning efforts, a vision for the organization is developed after a vision for the community has been discussed -- with the assumption that a shared organizational vision may be dependent upon a shared vision of what society should become. Whenever this is done, it is important to agree on where the organization wants to be in three to five years (It is often helpful to focus on where you want to be at the end of the period covered by the strategic plan).

   For many Board and staff members, it makes sense to first develop a vision of where the organization wants to be in a specified number of years, and then define strategies that will help it get there. The vision might describe the organization broadly, in terms of its mix of programs, reputation or status inside and outside its primary target community, key accomplishments, and relationships with stakeholders; specific descriptions might be included in relation to service/target area, program scope and depth, funding, governance, staffing, relationships with other entities, visibility, etc. This form of "visioning" can be done in many ways; for example:

   - Small groups can physically *draw* their vision of the future, then describe it to the full group, and identify common elements, and use them to establish a joint vision. This approach is often used when the Board has limited literacy or where the whole Board is not entirely comfortable in the same language – e.g., multi-ethnic Boards, or Boards that include some members with limited English fluency and some with only English fluency.

   - Small groups can role play what they would want to be able to say about the organization's major accomplishments and reputation to a newspaper reporter five years from now, then share the major components of their vision with the full group, again as a basis for developing a shared vision.

   - Small groups can play the role of various *supportive* stakeholders – funders, clients, allies/collaborating organizations, the Board, the staff – and each develop a series of statements describing the organization as they would like to see it in a specified number of years. Then these visions can be shared and meshed.

   - Individuals can complete a formal *worksheet* indicating where they see the organization in either broad or specific terms. For example:

     - ☐ **Broad categories.** Describe the organization in five years, in terms of the following categories such as program, resources, status, relationships, institutional development, and governance; or

- ☐ **Specific characteristics.** Describe the organization in five years, in terms of the following: target area, target populations, budget, percentage of funding from public and private sources, staff size and composition, staff/component structure, program areas, offices/locations, Board size and composition, relationship with the private sector, relationship with major local public agencies.

Individuals would then share the information in small groups, reach some form of shared responses, then present them to the full group. The full group must then reach consensus on a shared vision.

- If the organization is small, the full group can take turns describing the organization in terms of specified categories or topics (e.g., missions, program scope, resources, relationships), then consensus can be reached on major statements and categories.

The development of a shared vision is usually best done with both Board and staff involvement. For a small organization, a joint Board-staff process may be practical. For a large organization, a two-stage process might be useful, with staff first working together on a vision, then having the Board and key staff participate in a similar process, in which they review and incorporate the staff vision with their own.

6. **Develop a series of goals or organizational status statements which describe the organization in a specified number of years – assuming it is successful in addressing its mission.** It is usually a short step from the vision to goals – sometimes the statements describing the vision are essentially goal statements. It is extremely valuable to transform the vision into a series of key goals for the organization, preferably in the form of status statements describing the organization. For example, goals might cover a variety of categories, stated as follows:

- ✓ **Program:** "El Centro will operate an alternative high school with public school funding that will have a student body of 250"; "El Centro will provide comprehensive services to youth from pre-school through college age";

- ✓ **Resources:** "El Centro will have a budget of $3 million and a staff of 40";

- ✓ **Status:** "El Centro will be the largest and most respected nonprofit housing development corporation in Lake County";

- ✓ **Relationships:** "El Centro will be represented on major coalitions in its program areas and on the Boards of at least three major mainstream organizations";

- ✓ **Institutional Development:** "El Centro will own its own headquarters building, which will also have space for rent to other community-based organizations"; "El Centro will have a fully computerized financial management and management information system, with all staff connected through a network".

- ✓ **Governance:** "The El Centro Board will take an active role in resource development, taking responsibility for one major special event each year"; "The El Centro Board will establish three active working committees – Programs, Finance, and Resource Development – which will meet bimonthly and consistently have quorums."

7. **Agree upon key strategies to reach the goals and address key issues identified through the environmental scan.** The major emphasis should be on broad strategies, including current and new program, advocacy, collaborative, or other approaches. These strategies should be related to specific goals or address several goals. The process requires looking at where the organization is now and where its vision and goals indicate it wants to be, and identifying strategies to get there. The Board needs to provide a broad view to guide this effort, while the planning group or staff can do much of the detailed analysis. Approaches might include the following:

   - Once the key issues to be addressed and the goals have been specified, the planning group, staff, or a consultant might look back at the SWOT results of the environmental scan, and identify changes in current strategies which may be required to reach the goals and address the issues. This might mean identifying potential new strategies or suggesting changes in emphasis or priority. These would be presented to the Board and key staff for discussion and decisions.

   - The planning group might review the planning process to date, and develop and present to the Board and key staff a series of alternative approaches or scenarios – for example, should the organization focus on community organizing or national-level advocacy; should there be increased decentralization or more centralization; should field offices receive more or less attention and resources, compared to the headquarters office. Based on the decisions made using these scenarios, strategies will be determined.

   Whatever the specific approach used, specific criteria for evaluating and choosing among strategies should be agreed upon. They might include such criteria as the following:

   - ✓ **Value** – Will the strategy contribute to meeting agreed-upon goals?

   - ✓ **Appropriateness** – Is the strategy consistent with the organization's mission, values, and operating principles?

   - ✓ **Feasibility** – Is the strategy practical, given personnel and financial resources and capacity?

   - ✓ **Acceptability** – Is the strategy acceptable to the Board, key staff, and other stakeholders?

- ✓ **Cost-benefit** – Is the strategy likely to lead to sufficient benefits to justify the costs in time and other resources?

- ✓ **Timing** – Can and should the organization implement this strategy at this time, given external factors and competing demands?

Based on these or other agreed-upon criteria, strategies can be evaluated and selected, or prioritized.

In agreeing upon strategies, the planning group should always consider the need to clearly define responsibilities for their implementation. For example, if a strategic plan goal is to make primary health care available to your target group, regardless of ability to pay, then a key strategy might be to establish a coalition of local organizations to work towards establishment of a community health center, or to work with a local hospital or existing health center to open a satellite center in the community. Or you might need to advocate for changes in current laws or policies. There must be someone or some unit within the organization that can take responsibility for implementing this strategy.

You are likely to complete Steps 4-7 during a strategic planning retreat. Someone B *a consultant, the Strategic Planning committee or task force, or a staff member* B *will need to take the newsprint and notes from the retreat, the results of the environmental scan, and other relevant materials and begin draft a written strategic plan. Once this draft has been prepared, the next step can begin.*

8. **Develop an action plan that addresses goals and specifies objectives and work plans on an annual basis.** Once the longer-term elements of a strategic plan have been developed, it is time to ensure a specific work plan to begin implementation. Strategic planning recognizes that strategies must reflect current conditions within the organization and its environment. Thus it is rare to attempt to develop detailed annual objectives except for the first or perhaps the first and second year covered by the strategic plan. However, annual action plans are needed. Annual program objectives should be time-based and measurable. The annual plan may be a part of the strategic plan or may be an annual addendum to it.

   Objectives and work plans for the Board and for the institution as a whole are as important as program-related ones. Most projects have specified annual objectives and work plans because of funder requirements, while only a strategic plan is likely to require a Board to think about its desired composition, skills, and involvement, or about organizational structure and administrative systems.

   Developing objectives and annual work plans requires both Board and staff input, with staff often taking major responsibility for program-related goals and objectives once the Board has defined organizational goals, and the Board developing goals and objectives related to governance.

The Board must approve the action plan, while staff (with consultant help, if desired) can do much of the development of the written plan. This is an area of staff expertise, since implementation of programs and other strategies based on policies set by the Board is a staff function.

9. **Finalize a written strategic plan that summarizes the results and decisions of the strategic planning process.** There is no set format, but be sure to include the outputs of each major step. The box at the end of this document provides one possibility.

10. **Build in procedures for monitoring, and for modifying strategies based on changes in the external environment or the organization.** Be sure progress towards goals and objectives and use of strategies is monitored regularly, with strategies revised and annual objectives developed yearly, based on the progress made, obstacles encountered, and the changing environment. Have procedures for taking advantage of unexpected changes such as more sympathetic elected or appointed officials, improvements in the economy, changes in local funder priorities, or changes in the target population. Define annual objectives at the start of each year. Look back to see what progress has been made in critical success factors. Use the plan as a compass, but not an inflexible blueprint for action.

    The Board plays a critical role in reviewing progress and assuring that strategies are changed as appropriate; staff should carry out the documentation required to generate ongoing data for this review, as well as carrying out periodic monitoring and making reports to the Board. If the organization has a planning and evaluation unit, it should play an ongoing role in monitoring progress towards goals and objectives, and analyzing reasons for shortfalls in accomplishments.

IV. CONCLUSION

The steps listed above are just one approach to developing and implementing a strategic plan. Strategic planning is a process which lends itself to a joint Board-staff effort. Often, there is a joint Board-staff retreat early in the process, a Board-staff committee to oversee the entire planning process, a staff planning session with a strong focus on the action plan, and a Board session to review and approve the plan. The retreats are in addition to committee meetings and ongoing staff work. The key planning sessions often work best when facilitated by an outsider knowledgeable about the organization or about community-based organizations generally. A facilitator should be someone skilled in group processes and experienced in strategic planning who is non-directive, committed to assuring full discussion of issues but also task-oriented and able to move the process forward. Sometimes a former Board member or Executive Director can fulfill this role. Some foundations provide management assistance grants that can support consultant and other support for the entire process and make possible an in-depth environmental scan.

If your organization is relatively new, your first strategic plan is likely to be for a three-year period. After that, you may want to develop a new strategic plan every five years. Be sure to document not only the plan but also the process, so you can improve upon it with each cycle.

July 2001

SAMPLE FORMAT FOR A STRATEGIC PLAN

I. INTRODUCTION
- A. Need for a Strategic Plan
- B. How the Plan was Developed

II. THE ENVIRONMENTAL SCAN
- A. Organizational History and Structure
- B. The External Environment
  1. National Situation and Trends
  2. Local Situation and Trends
  3. Summary of Opportunities and Threats
- C. The Organization
  1. Scope of Activities
  2. Program Operating Model
  3. Management
  4. Governance
  5. Summary of Strengths and Weaknesses

III. ORGANIZATIONAL VALUES, VISION, AND MISSION
- A . Values or Operating Principles
- B. Community Vision
- C. Organizational Mission

IV. GOALS, PLANNED ACCOMPLISHMENTS, AND STRATEGIES
- A. Organizational Vision and Planned Accomplishments: The Organization in X Years
- B. Goals and Priorities
- C. Strategies

V. MONITORING AND REVIEW
- A. Monitoring Progress
- B. Plans for Reviewing and Refining the Plan

VI. ANNUAL PLAN *(may be prepared separately)*
- A. Program
- B. Management/Institutional Development
- C. Governance
- D. Monitoring and Evaluation

ATTACHMENTS
- A. Environmental Scan Data
- B. Other Supporting Information

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