

WELCOME TO



AMHERST, *NEW HAMPSHIRE*

June 2013

CREATING A DESIRED FUTURE

AN INTEGRATED APPROACH TO STRATEGIC THINKING AND PLANNING

AGENDA TOPICS

- ✘ Thinking strategically: a planning overview
- ✘ Planning and budgeting for FY15 and beyond
- ✘ Managing change
- ✘ Measuring performance
- ✘ Discussion



**THINKING STRATEGICALLY:
A PLANNING OVERVIEW**

This approach to strategic planning was designed by Mike Akillian and colleagues at Maguire Associates, Inc., a Concord MA research-based consulting firm.

The Association of Governing Boards recommends this approach as best practice in strategic planning to its 1,250 member institutions and 36,000 individual members.

A PHILOSOPHY OF STRATEGIC THINKING

- ✘ The purpose of strategic planning is to create a desired future. **Envision that future.**
- ✘ No static plan, however strategic, can assure success in a constantly changing environment. **It must be continuously refreshed.**
- ✘ People at all levels constantly make decisions that have strategic consequences. **Involve them.**
- ✘ Deploy a set of strategic thinking skills and tools for use by everyone. **Integrate them.**

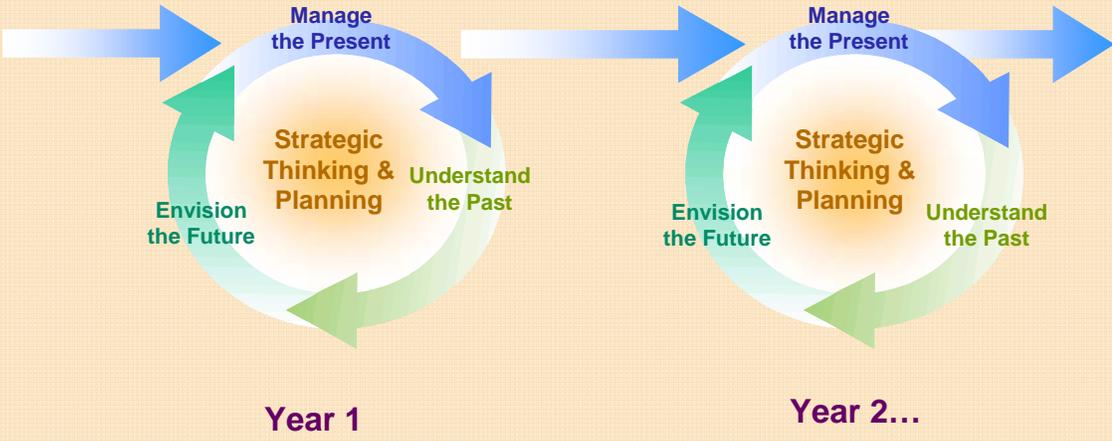
WHY STRATEGIC PLANNING FAILS

- ✘ Doesn't account for internal/external drivers.
- ✘ Doesn't reflect key perspectives.
- ✘ Doesn't identify key issues and goals.
- ✘ Doesn't prioritize and trade-off.
- ✘ Doesn't obtain active support.
- ✘ Doesn't measure key outcomes.
- ✘ Doesn't connect with ongoing operations.

HALLMARKS OF THIS APPROACH

- ✘ Is rooted in meaningful data.
- ✘ Is about strategic *thinking*.
- ✘ Builds upon the organization's mission and values.
- ✘ Links the visionary, the strategic, and the operational.
- ✘ Is a phased process.
- ✘ Repeats annually.

THE CYCLE OF STRATEGIC THINKING



WHAT EACH ACTIVITY ACHIEVES

Understand the Past

Enhanced understanding of historical performance, drivers of success, key environmental trends, critical issues.

Envision the Future

Clarified mission, values, SWOTs. Future scenarios with implications. Vision of desired future. Internal consensus around a coherent set of strategic initiatives, programs, goals.

Manage the Present

Set of tools (dashboard metrics, strategic budgets) to manage strategic initiatives and continually assess progress toward goals.

SOME DEFINITIONS

- × **Environmental Scan** – a review of economic, social, political, technological, demographic, ... changes likely to impact Amherst. This includes comparative analysis of peer municipalities.
- × **Learning Journeys** – Real or virtual visits to other municipalities that have instituted innovations and best practices that could benefit Amherst.

SOME DEFINITIONS

- × **SWOT Analysis** – An assessment of the town and departmental *strengths, weaknesses, opportunities* and *threats* with strategies to:
 - + capitalize on strengths and opportunities, and
 - + minimize threats and weaknesses.
- × **Dashboard** – a set of displayed metrics that, together, empower actionable insights.

DASHBOARDS FOR EACH PART OF THE CYCLE



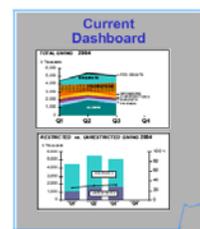
Historical Dashboard

Displays data for the past three-to-five years in the form of ratios, peer group comparisons, bar and pie charts, time series, etc. that highlight key trends and performance indicators and enable decision makers to understand the relationships among them and their strategic significance for the institution.



Vision Dashboard

Goals are established for a "vision year" three, five or more years in the future. These goals are expressed as a subset of the key performance indicators used in the Historical Dashboard. The Vision Dashboard enables year-by-year tracking of progress toward these goals.



Current Dashboard

Displays quarterly values for many of the same indicators used in the Vision Dashboard so that current performance can be monitored and near-term performance can be assessed in time to make mid-course changes if necessary. The Current Dashboard is one of the tools that "operationalizes" strategy in the ongoing life of the institution.

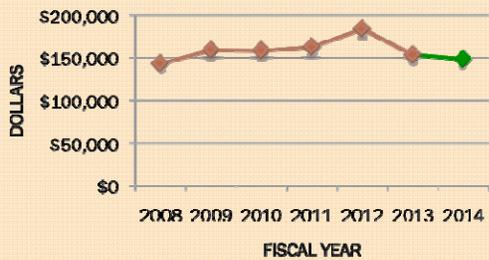
6-yr growth by Dept.

Proposed FY14

3.8%

Total Finance

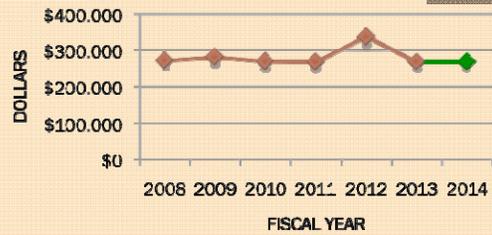
\$148,193



-1.2%

Total Tax Dept.

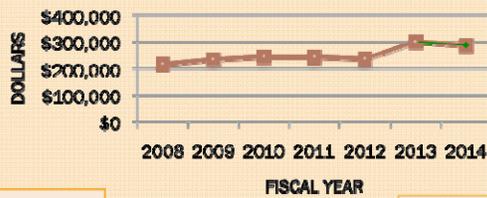
\$267,705



32.3%

Total Community Development

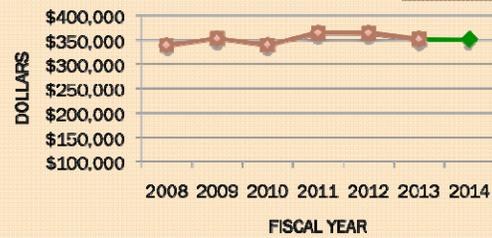
\$285,661



3.5%

Total Recreation

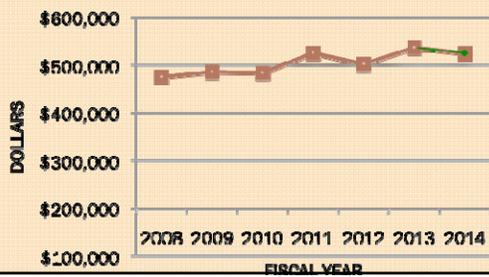
\$350,144



10.5%

Total EMS

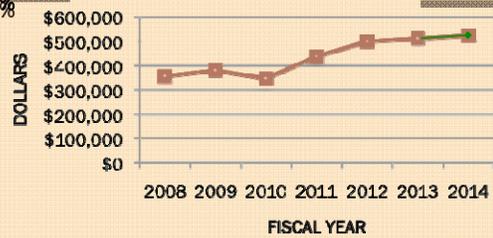
\$523,375



47.3%

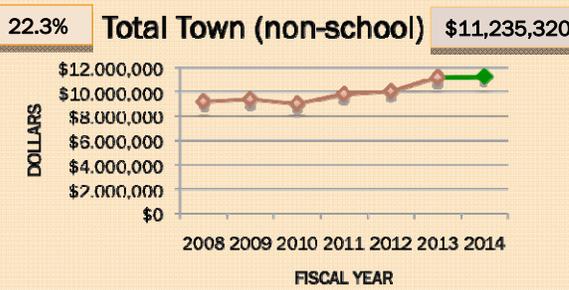
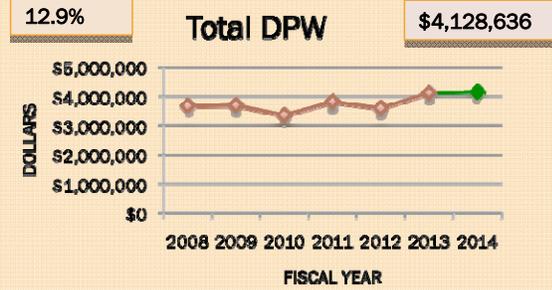
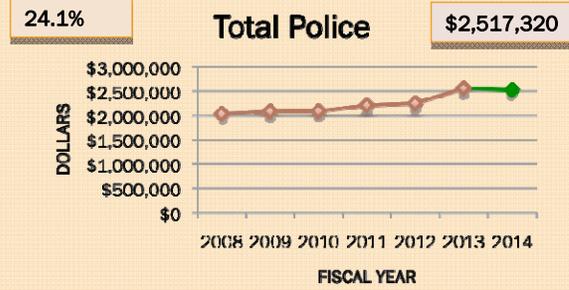
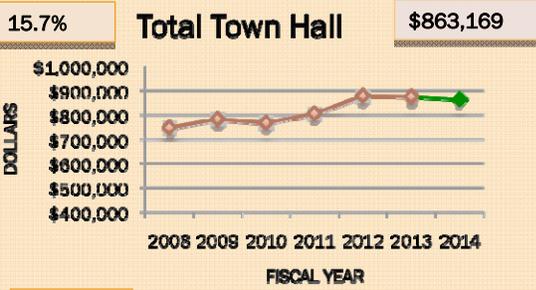
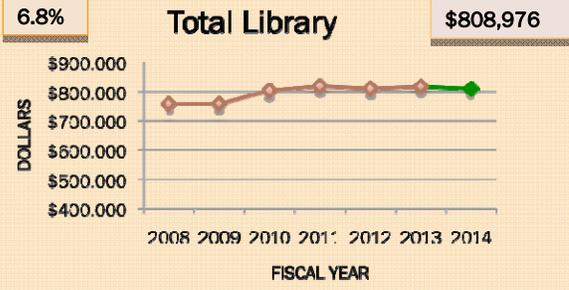
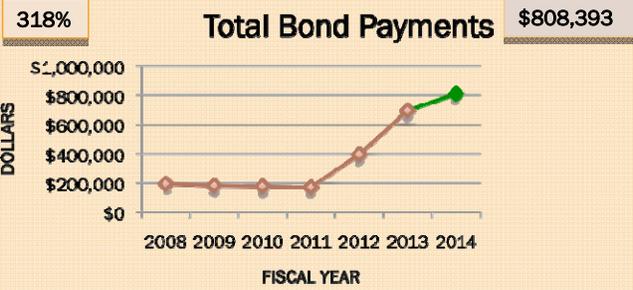
Total Fire Department

\$523,779

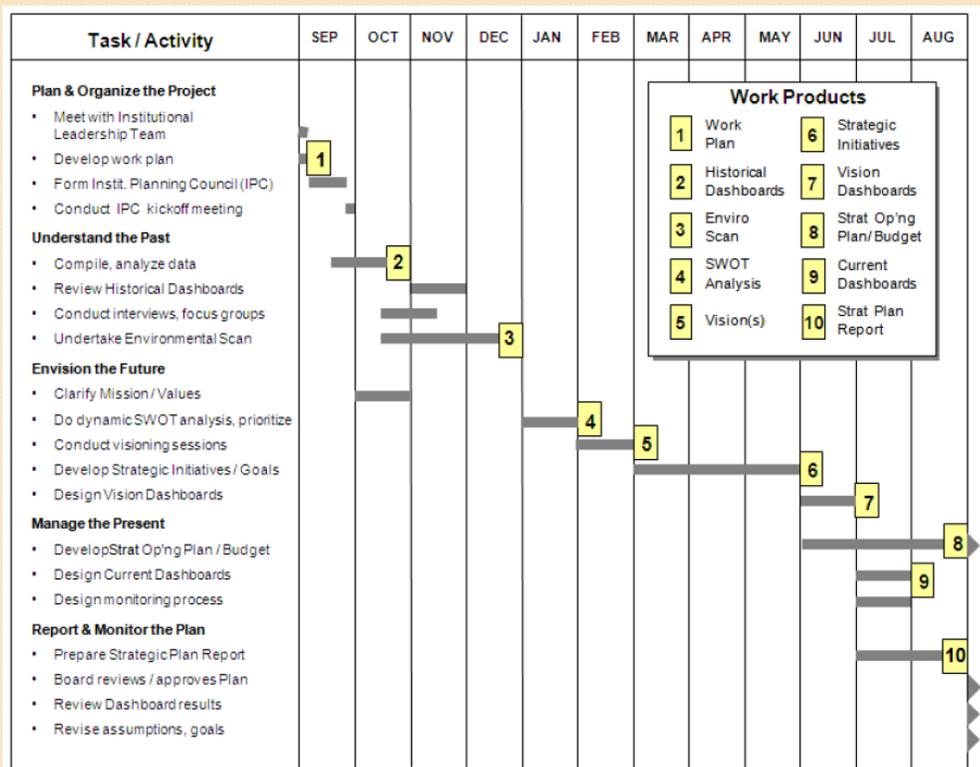


6-yr growth by Dept.

Proposed FY14

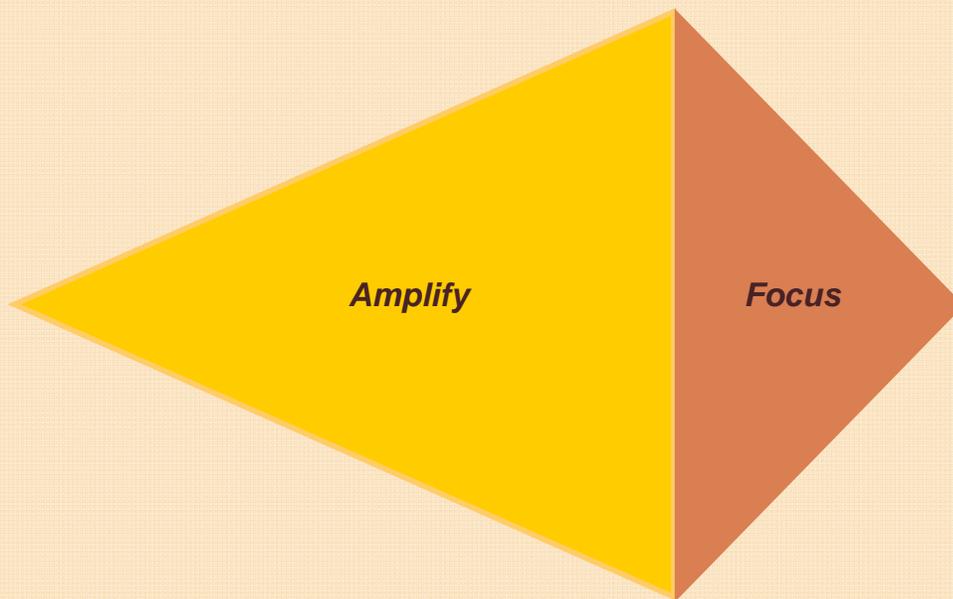


PHASED PROCESS AND WORKFLOW



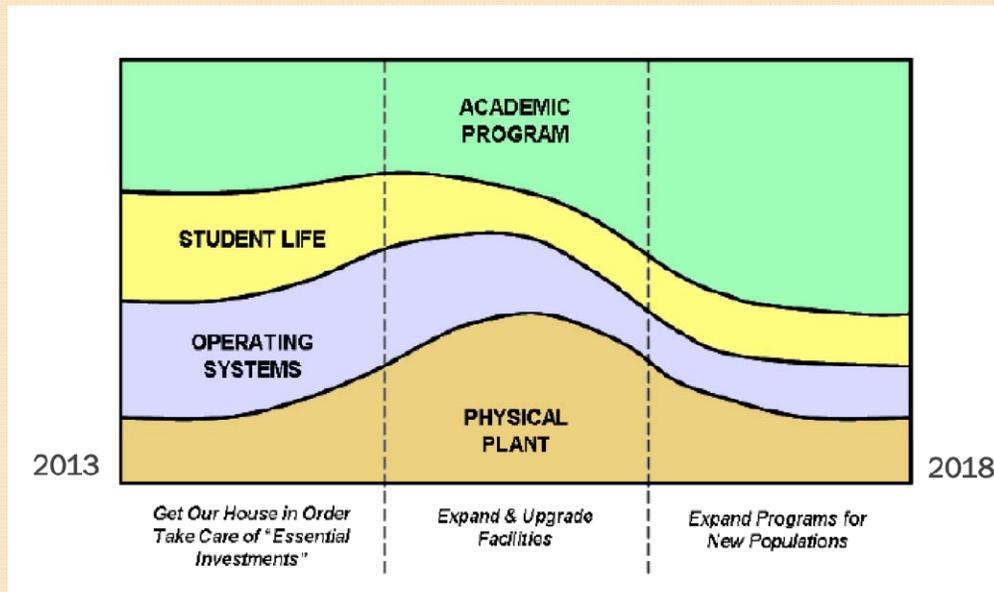
DYNAMICS OF DECISION MAKING

OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN
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USING STRATEGIC WAVE DIAGRAMS

Visualize how the emphasis among strategic themes will change over time.



STRATEGIC PLANNING ROLES

<ul style="list-style-type: none">■ Strategic Planning Steering Committee TBD <i>Initiate, provide input to, and review the Strategic Plan.</i>	<ul style="list-style-type: none">• Assure Mission / Values are voiced and used planning• Assure broad constituency involvement.• Participate in visioning, setting parameters & priorities.• Review / approve Strategic Plan.
<ul style="list-style-type: none">■ Strategic Planning Team TBD <i>Develop the work plan, oversee the planning effort, conduct key planning and analysis tasks and/or delegate that work to Task Forces.</i>	<ul style="list-style-type: none">• Develop the strategic planning work plan.• Guide, oversee a Multi-Constituency Survey.• Conduct an Environmental Scan.• Conduct SWOT and visioning exercises.• Develop strategic initiatives.• Design metrics and dashboards reports.• Create Strategic Operating Plans / Budgets.• Assign and oversee the work of task forces.
<ul style="list-style-type: none">■ Task Forces Ad Hoc work groups Carry out specific studies, analytical tasks.	<ul style="list-style-type: none">• Carry out any of above tasks and/or other studies, analyses, as delegated.

DYNAMIC TENSIONS

Exploration

Justification

Timely Pace

Involvement & Transparency

Continuous Change

Discontinuous Change

Inputs

Outcomes

Poverty Mentality

Bold Thinking

BENEFITS OF STRATEGIC THINKING

- Improves the quality of decision making within the context of a broader strategy and direction.
- Becomes embedded in the ongoing, operational life of the town.
- Assures that the strategic planning process fits Amherst's distinctive culture.
- Involves, educates and engages all major stakeholders in meaningful ways.
- Increases the likelihood of attaining the desired future.

WHERE WE ARE TODAY

WHERE WE ARE TODAY

- ✘ Amherst does not have a strategic plan.
- ✘ We have a (land use) master plan with aspirational, but non-quantifiable, goals.
- ✘ However, these might yet serve as the basis for a strategic plan with specific, measurable, achievable, and challenging goals – and related initiatives.

AMHERST MASTER PLAN GOALS

1. Land Use

- a) Strengthen and clarify land use regulations
- b) Encourage sustainable development
- c) Manage residential development to protect natural resources
- d) Manage commercial and industrial development

2. Historic and Cultural Resources

- a) Preserve town character
- b) Protect cultural resources of village
- c) Encourage cultural activities

AMHERST MASTER PLAN GOALS

3. Natural Resources

- a) Protect natural resources
- b) Preserve habitat diversity
- c) Protect water resources

4. Housing

- a) Preserve town character
- b) Encourage diversity in housing
- c) Manage fiscal impacts
- d) Encourage “green” residential growth
- e) Encourage the creation of additional villages

AMHERST MASTER PLAN GOALS

5. Economic Development

- a) Encourage higher-value commercial development
- b) Improve design of commercial areas
- c) Encourage mixed-use areas
- d) Diversify tax base

6. Circulation and Transportation

- a) Preserve town character
- b) Minimize traffic and congestion
- c) Encourage alternatives to driving

AMHERST MASTER PLAN GOALS

7. Public Facilities and Services

- a) Optimize use of town resources
- b) Provide needed facilities and services
- c) Manage future growth
- d) Encourage sustainable development

8. Recreation

- a) Encourage health
- b) Provide needed recreation facilities
- c) Develop town-wide greenway system

WHERE WE ARE TODAY

- ✘ Amherst needs a process and the leadership to create and manage to a strategic plan. The BoS should drive this process.
- ✘ But, we can't wait until we have an town-wide strategic plan to do more strategic thinking and budgeting for the coming years.

**A PROPOSED PROCESS FOR TOWN
GOVERNMENT PLANNING & BUDGETING**

WHAT TO DO NOW

- ✘ Annually, the focus of Amherst town government has been on budgeting -- and much less on planning. We need both.
- ✘ For FY'15, start with strategic thinking and operational planning/budgeting at the town department level.
- ✘ Tie the CIP process and budgeting to departmental plans.

PROPOSED PROCESS

✘ Identify Needs and Set Goals

1. Departments review best practices for their area to determine what goals they should try to achieve on over the next 1-5 years based on town needs.
2. Departments also review the master plan goals to determine which of those they will advance.
3. Make goals as specific, measurable achievable and challenging as possible.

PROPOSED PROCESS

- ✘ Develop Multi-year Plans and Budgets
 - + Determine what mix of activities will be required and with what resources.
 - + Propose related budgets for key initiatives.
 - + Develop options and tradeoffs along with related rationales.

PROPOSED PROCESS

- ✘ Town administrator engages with departments to ensure that proposed plans and related budgets are prepared over the summer.
- ✘ The role of the BoS is to:
 - + Drive the planning/budgeting process forward,
 - + Prepare a set of strategic priorities that can be used to mix and match alternative departmental plans and budgets,
 - + Identify and pursue ways to engage with citizens early and often.

KEY QUESTIONS

- ✘ What *strategic* goals (from the Amherst Master Plan and within disciplines) does my department plan to advance in FY15 and beyond? How? And with what means?
- ✘ What *operational* goals does my department plan to achieve in FY15? How? And with what means?

KEY QUESTIONS

- ✘ **Staffing:** Do I have the right number, and the right mix, of personnel? Is my staffing and staff compensation commensurate with comparable towns?
- ✘ **Training:** What is required to maintain recommended levels of training and certification?
- ✘ **Equipment:** What is the mix and status of departmental equipment? When and where does the cost of maintenance outweigh the cost for new equipment?
- ✘ **Facilities:** Do we have the right amount/type of space, and what maintenance issues are associated with our facilities?
- ✘ **Consumables:** What is the projected cost of fuel and other consumables?

KEY QUESTIONS

- ✘ What multi-year initiatives that have already been approved by the electorate will we advance or complete in FY15? How, and with what means?
- ✘ What unforeseen issues have arisen since our last planning/budgeting cycle that we will have to address in FY15 and beyond? How, and with what means?
- ✘ What would our budget look like if we were to undertake everything we think we need to accomplish?
- ✘ How would we change our plans if we had a 5% budget increase? What would Amherst citizens gain/forgo as a result?

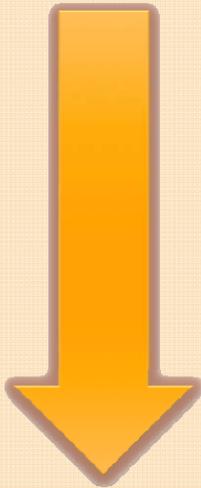
PROPOSED TIMING

- ✘ Planning process kicks off (June).
 - + Meetings with department heads.
 - + Tools developed and provided for consistency.
- ✘ BoS collaborate with TA and department heads to offer counsel and guidance (June-July).
- ✘ First draft departmental plans and budgets reviewed by TA and BoS (August)
- ✘ Refinements made (September)
- ✘ Tradeoff discussions (October)

MANAGING INTENTIONAL CHANGE

KEY CHANGES IN MANAGEMENT STYLE

Push authority,
responsibility &
accountability down



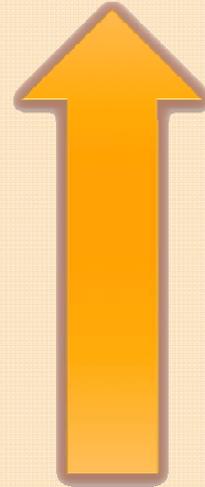
Board of Selectmen

Town
Administrator

Department Heads

Town Employees

Receive timely,
accurate, actionable
information



Strategic/tactical thinking and tradeoffs are made at all levels of town government, not simply at the BoS level.

MEASURING PERFORMANCE

PERFORMANCE TURNS PLANS INTO REALITY

Planning

Provide all town personnel with regular reports of outcomes and budget status to empower timely, effective decisions.



Performance

Conduct regular performance appraisals at all levels of town government (departments and individuals).

Ultimately, move to pay for performance?

DISCUSSION

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