

CREATING A SUSTAINABLE ORGANIZATION: STRATEGIC PLANNING AND PERFORMANCE MANAGEMENT

By Richard Gerstberger
TAP Resource Development Group, Inc.
Denver, CO

In order to improve operations, be more competitive, and ensure long-term sustainability, many organizations are implementing various types of organizational change and/or improvement programs. To actually help the organization to accomplish the goals identified and get beyond the symptoms to the root cause of organizational issues, it is important to design and integrate strategic planning and performance management creating an Integrated Management System.

In most organizations today, and particularly a growing organization, change is inevitable. However, the way this change is approached can make the difference between a rough or even ineffective transition and a smooth one. The implementation of a comprehensive Strategic Plan, coupled with a Performance Management System, what we call an Integrated Management System, is needed.

This approach begins with a Comprehensive Strategic Plan as outlined in Figure 1 and involves a four step process focused on and supportive of the organization's mission and core functions.

ORGANIZATIONAL ASSESSMENT

To begin the strategic planning process, leaders must understand the organization, including its culture, leadership and the alignment of culture, leadership and process with the organization's strategic purpose and mission. This involves a com-

prehensive assessment that includes an in-depth understanding of how the organization provides value to its customers, the organization's culture, and how leadership functions within the organization. The Organizational Assessment process also looks at how supportive and aligned organizational culture and leadership as a whole are with how the organization provides value to its customers.

An important piece of the organizational assessment is in understanding the type of organization—how the organization provides value to its customers—and why that is important (Figure 2). For example, organizations such as Walmart, Southwest Airlines, Public Works Agencies, Utilities, and many others have a core value of providing a dependable,

Strategic Focus

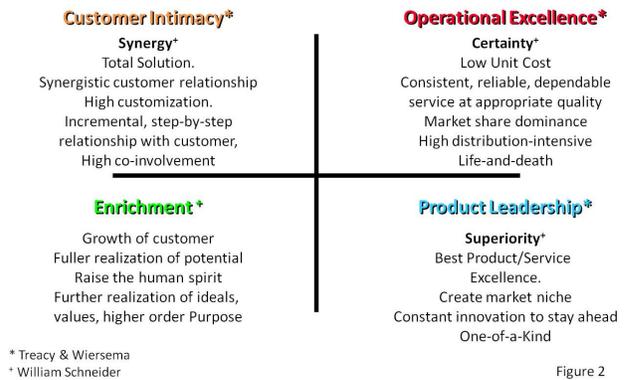


Figure 2



Figure 1

reliable service at a reasonable cost. It helps in the strategic planning process for managers and employees to have an understanding of the type of organization they are a part of, so that everyone in the organization is ultimately heading in the same direction. It's important for managers to understand the organization's purpose, the why and how the organization provides value to its customers, because when they communicate to their staff it helps them see and communicate the bigger picture. Also, managers from different divisions understand the purpose and it reduces the chance of falling into a silo mentality. It's important for managers and employees alike to be on the same team, all pulling the cart in the same direction and with the same objective(s) in mind; otherwise it is easy to get off track.

TAP Resource assists organizations in all aspects of the assessment, including an in-depth organizational assessment and clarification of the alignment of its strategic purpose, culture and leadership. The culture of an organization is the way it does things in order to succeed. It is essential to align culture with the organization’s leadership and mission/purpose in order to identify its short and long-term goals. Because the assessment is specific, it makes the Strategic Plan about more than just setting random goals and hoping they can be met. Rather, it looks at where the organization has been, where it wants to go, and the method and tools needed to get there. It identifies what is working, but also finds what isn’t working and offers real solutions to fix it. The Organizational Assessment helps the organization formulate goals better – goals that are supportive and in alignment with its mission rather than conflicting with it.

STRATEGIC DIRECTION SETTING

Once the assessment is complete, the organization starts the development of a comprehensive Strategic Plan. The process begins with the leadership team creating a strategic profile consisting of an examination of the future direction of the organization, including its strategic variables, driving forces and core competencies. It reexamines the organization’s vision, mission, and values and discusses its strengths and weaknesses, and internal and external demands. This information is then discussed with the employees and an overall picture of the future organization is created.

LONG-TERM PLANNING/KEY RESULTS

From that picture the organization can create a set of long-term results (big picture goals) looking 5 years or so into the future that it wants to achieve in four specific Key Results Areas (KRAs): Customer, Employees, Organizational and Financial (Figure 3). From these long-term results, intermediate and short-term goals are developed to ensure the accomplishment of each ultimate result. An example of a long-term goal for an organization is to become a leader in its given industry. Intermediate and short-term goals of 3 and 1-year are developed to attain the long-term goal. Implementation plans with specific action items, implementation team assignments,

metrics and resource requirements are then created for the priority short-term goals. Divisional goals are then created to support accomplishment of the organization’s plan. Each manager develops their goals and objectives to support organizational goals; it’s all connected.

IMPLEMENTATION PLANNING

To provide structure in attaining goals, a Business Initiative Development Process is used. It’s all about having a specific process to attain organizational goals. Implementation planning creates a structured process with specific deliverables, timelines, responsibilities and resource requirements. Implementation planning also includes a tracking, monitoring, and accountability process designed to keep plans on track.

As managers become more comfortable with the process, they have expanded it down to the supervisor level where it becomes part of what they do in their section and workgroup goals. The objective is to have all levels of the organization utilize the Business Initiative Process to get organization, division and workgroup goals accomplished.

As the leadership team begins to address issues and resolve problems and work to maintain consistency; the vision and direction of the organization begins to be realized.

CONCLUSION

With the development and implementation of the Integrated Strategic Plan, organizations experience positive results and develop a new way of thinking and planning. It helps the organization stay focused on its core functions and long-term results and not get caught up in the here and now.

One of a number of clients that we’ve assisted in their strategic planning process is the City of Aurora, CO Water Department. “Strategic planning has helped us in maintaining our clarity and focus, and kept us attuned to what we’re all about, what our core functions are, and assisted us in providing that Certainty element that our customers expect”, Mark Donelson, Wastewater & Stormwater Division Manager (retired) concludes. “In addition, staying on that cutting edge is also important and the annual strategic planning process keeps the organization there.”

Key Results Areas

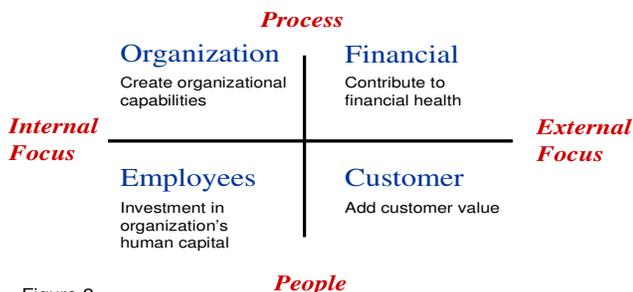


Figure 3

Call us at (303) 561-3788 or email us at info@tapresource.com to make your organization more effective.