

Part 1: Introduction

Strategic planning is perhaps the most fragile of all public sector management processes. While the private sector, the military, and some high-value public sector initiatives (e.g., NASA and the Apollo project) have shown that strategic planning can yield great success, such successes are not generally experienced by public sector organizations.¹

Public sector employees often view the strategic planning process as a formality, producing a well written and visually pleasing document for circulation throughout the organization and to stakeholders. However, government plans are often considered of marginal utility in driving agency operations and seldom have more than a marginal effect on an organization's accomplishments. Public sector strategic plans are rarely read from cover-to-cover. Agency staff and management are only generally aware of their content, and their scope is often limited to restatements of established organizational policies and practices, not innovative strategies.

For many agencies, the goals and strategies that are the central tenet of the strategic plan do not drive a results-oriented management agenda that places achieving goals and strategies as the highest agency priority, higher than bureaucratic or even personal interests.² There are many reasons for this, however the

¹ This assertion has become a truism as a great many scholarly articles and trade journals try to explain the failures and disappointment. This book focuses primarily on the research of Henry Mintzberg from a theoretical perspective and John Kotter for a more practical explanation. Writing in the *Harvard Business Review*, Kotter explains that of the strategic plans he has reviewed, a few have been very successful. A few have been utter failures. Most fall somewhere in between, with a distinct tilt toward the lower end of the scale. (Kotter, 1995). This description matches is consistent with the author's personal experience.

² The author has had numerous experiences with senior government officials who have decided against involving themselves in challenging and somewhat controversial initiatives, often citing the risk to their career, their personal circumstances, or their pending retirement as reasons to not engage.

perspective taken in this book is that for too many government agencies and programs, achieving results just doesn't matter.¹

The Strategic Planning Imperative

Although many benefits can be derived from a dynamic strategic planning process, such as enhanced communication and a more cohesive and motivated workforce, strategic plans are most successful if they achieve goals that would not otherwise have been achieved, engender strategies that would not otherwise have been undertaken, and result in a higher level of performance. This is a very tough standard, but it is a standard all the practitioners that I have known agree with.

Despite this belief, government plans are often referred to as successful if the presentation and appearance of the document are highly professional and contains lofty rhetoric that addresses the organization's purpose and values, and if it is known that a dedicated staff devoted a good deal of time to put it together. Consider an analogy with a sporting event. It would be hard to consider a game plan successful, no matter how well the players performed and no matter how hard they worked if they lost. So too with government agencies: good effort—no matter how laudable—should not be confused with good results and should not be viewed as a surrogate for success. A polished and professional looking document should not be confused with a successful strategic plan.

This is especially true for public agencies that are evaluated by considering whether the public's investment in its operations has produced results that reflect public value—which was the primary rationale for the enactment of the Government Performance and Results Act (GPRA) of 1993. The GPRA is the centerpiece of a series of laws that the Congress put in place to emphasize the need for government agencies to achieve mission-oriented results and to resolve the long-standing management problems that undermined efficiency and effectiveness.²

¹ This refers to the author's general perception that unlike a 10% wage reduction, government executives are generally willing to dismiss strategic planning failures as an unfortunate but understandable reality of contemporary government. "If the goal was not achieved, perhaps we'll get another shot at it someday" explained a government executive to the author.

² See GAO report *GPRA Has Established a Solid Foundation for Achieving Greater Results*. GAO-04-594T, 3/31/2004, <https://www.gao.gov/products/GAO-04-594T>.

this abject and costly failure are very hard to discern. Moreover, because agency goals are often so vague and amorphous, governments generally lack the indisputable measures of performance that are required to either validate or critique the effectiveness of agency strategies. Whereas the private sector can reliably measure its success by merely glancing at their profit margin, few public-sector agencies can rely on such an all-purpose indicator.

The Critical Success Factor (CSF) Approach Applied to Strategic Planning

The approach set forth in this book relies on the *critical success factors* (CSFs) to provide a framework for assessing the path to strategic planning success. The CSF approach provides leaders with a tool that helps overcome the fragility and exploit the inherent power of a well conceived and courageously implemented strategic plan.

The CSF framework provides a mechanism for identifying opportunities, shortcomings, and likely obstacles faced by all government agencies in attempting to develop a strategic plan. It does not provide government leaders with solutions to intractable problems. But it does convey a clear understanding of the things that must occur in order to engage agency leadership and the workforce to devise their own solutions.

The value of the CSF methodology is two-fold: (1) it focuses on the vital few performance imperatives that are deemed essential for achieving success, and (2) it ascribes the level of performance required—not desired—for each factor to achieve the agency or program goals. As such, the CSF methodology provides not only the key elements of successful performance, but also sets standards for the performance of each element.

In identifying the elements deemed critical to the success of a program, a CFS framework will identify a deficiency in any one area is likely to prevent overall success from occurring. For example, the safe landing of an aircraft involves many factors, but if landing the plane safely is the primary goal, one might suppose that there would only be a vital few critical factors deemed essential for achieving that goal. Those vital few CSFs may be (1) a pilot, (2) fuel, (3) landing apparatus, (4) air traffic control, and (5) aircraft maintenance. Knowing and ensuring the pres-

ence of these factors is, of course, necessary, but it is not nearly sufficient to ensure a safe landing. There is also a performance expectation for each CSF that describes the type and level of performance required: the pilot must be well trained and rested, sufficient fuel must be available, continuous maintenance must be performed, etc. If any one of these CSFs is not in place or is underperformed, the likelihood of success is significantly reduced.

Just as a jet plane cannot reach its destination without a certain level of fuel or a highly trained crew, the CSF approach applied to strategic planning requires a focus on the specific components of a strategic plan ***that must be in place and must be performed at a precise level***. This means, for example, that a successful plan must have strategic goals and those goals must describe a clear and definitive description of the intended accomplishment. If such is not present, the logic of the CSF approach suggests that—like the plane without fuel—that bird won't fly.

Further, the CSF approach prevents a strategic plan from being all things to all people by including tasks and initiatives for every function in the organization. Rather, a sound strategic plan will focus on the roughly 20 percent of initiatives that are expected to produce 80 percent of the desired results.¹

The CSF approach has been found to be effective for public agencies with a wide range of missions, complexities, and workforce attributes. It has been most successfully utilized to transform the FBI and other agencies of the US Intelligence Community in the wake of 9/11.² In these and similar crisis environments, expected results become incredibly clear, obstacles are candidly assessed, strategies are developed to overcome them, priorities become widely understood, and innovative, creative, and effective solutions are encouraged, tried and tested. Crisis environments, often encourage leaders to assert that “failure is not an option.”

¹ The 80/20 rule was developed and popularized by Italian economist Vilfredo Pareto in 1896, in *Heart of a Political Economy*.

² The author has personally worked with the leadership of over 25 Federal agencies and programs developing and implementing transformational strategic plans, including: the Federal Bureau of Investigation, the Naval Criminal Investigative Service, the Drug Enforcement Administration, the US Department of Justice, the US Department of Education, the US Department of State, the Court Services and Offender Supervision Agency, the US Department of Labor, as well as numerous Inspector Generals, and local police departments.

In our contemporary environment in which the efficacy of public management is increasingly called into question, this book seeks to identify those core attributes of strategic planning that can provide public managers with the tools that can be used to enhance the effectiveness of strategic planning in all public agencies. Many contemporary policy issues—effective law enforcement, reasonable immigration policies, comprehensive health care, sound fiscal management, and the capability to implement a national response to a pandemic—look to the government to implement policies that play a significant part in the health, welfare, and happiness of citizens. Sound strategic planning is a critically important component in providing these and other needed policies. In effect, this provides contemporary strategic planning with an ethical dimension which is discussed further in Part 2 of this book.

The Strategic Planning CSFs

Based on the hands-on experience of developing strategic plans from dozens of government agencies, this book sets forth a framework of Six Critical Success Factors (CSFs) which best explain both the success and failure of public sector strategic plans. These Six CSFs provide a road map for practitioners who are seeking to change the direction of their organization and for students who seek to understand why public sector strategic plans are viewed as a disappointment far too often.

CSF 1: Engaged Leadership and Compelling Strategic Direction

Plans are effective when the organization takes them seriously. Organizations take planning seriously when the leadership doesn't merely preside over the plan, but conveys internally and externally that the strategic planning process is among his or her highest agency priorities. Given the high stakes associated with contemporary public agendas, agency leaders should be widely viewed as the "owner" of the plan and the "driver" of the planning activity and should be seen as being personally committed to a meaningful process. In order to ensure success, leaders must convey to the workforce that "failure is not an option." While the development of a strategic plan must be a collaborative effort, the agency leadership has a key role to play in the development of several of the components of the plan. Validating the mission,

creating a vision, and conveying the imperative nature of the planning project are among the indispensable contributions that the leader can provide. Validating the mission, creating a vision, and conveying the imperative nature of the planning project—while continuing to remain fully engaged throughout the development and implementation process—are among the invaluable contributions that the leader can provide.

CSF 2: A Comprehensive, Candid, and Continuous Assessment

An effective planning process will include an assessment that (1) identifies specific strengths, weaknesses, opportunities and threats faced by the organization, (2) results in the identification of the *performance gap* that exists in all agencies; and (3) identifies *areas of priority emphasis*. Collectively, this provides a planning agenda that will be seen as credible, legitimate, and motivational by the workforce. Effective strategies should be developed to address opportunities and obstacles that are formed during the assessment process. Proceeding without a formal and candid organizational and environmental assessment tends to produce strategies of limited value.

CSF 3: Definitive Goals and Innovative Strategies

This is the Heart of the Plan. *Goals* project accomplishments that cannot be commanded. They can only be achieved with quality performance. They are definitive, measurable though not necessarily quantifiable. They should be communicated to the entire organization, and understood by all stakeholders. Goals describe what success looks like and should be structured so that achievement, or the lack thereof, is evident to all interested parties.

Strategy represents the critical thinking of the organization by identifying the means by which obstacles will be eliminated and expected result will be achieved. Strategy reflects the performance theory of the organization, answers the question how the goals will be achieved, and can be considered the game plan for achieving the strategic goals. A comprehensive strategy generally consists of five distinct elements: (1) priorities; (2) initiatives; (3) operational direction; (4) enabling functions; and (5) collaboration. If strategic goals explain “what” the plan will accomplish, these five elements collectively describe “how” it will be accomplished.

CSF 4: Effective Utilization of Resources

The agency leadership team must ensure that the effective allocation and utilization of resources becomes a highly visible part of the overall process. Successful strategic plans invariably include a resource allocation process that includes both the allocation and re-allocation of not simply funding, but all assets that the organization can bring to bear on overcoming problems and achieving goals. A sound strategic plan also includes a resource acquisition and utilization strategy that enables the potential reallocation of resources over the period of the strategic plan. The effectiveness of strategic plans is greatly enhanced when a significant reallocation of resources occurs as priorities are re-considered.

CSF 5: A Comprehensive, Flexible, and Relevant Strategic Management Process

The strategic planning process must be relevant and dynamic, tailored to meet the temperament, capabilities, and culture of the organization. The planning process can take many forms and shapes. It can be lengthy and complex or very basic and direct. The key is that it is comprehensive. That is, it integrates planning, implementation, and evaluation functions seamlessly and involves the leadership team in the development and approval of the process. The process must also be well communicated, well understood, and transparent.

The planning process should be tailored to the organization's size and complexity. There is no "one-size-fits-all" for strategic planning processes. The right process is the one that is right for the agency, its organization, its culture, and its temperament. Moreover, an indicator of success for a agency-wide plan should be reflected in the success of high priority program plans developed for critical operations, information technology, human resources, training, and administration. Every derivative plan in the agency should be developed with the intent of furthering the primary goals and strategies of the agency-wide strategic plan.

Finally, the planning process must recognize that both the internal and external environment will undergo a significant amount of change as a direct result of an innovative strategic plan. The successful plan will be one that integrates a commitment to managing change throughout the process and includes

a section in the plan dedicated to change management activities and expectations.

CSF 6: Measuring Success and Explaining Failure

At the end of the day, the plan is only successful to the extent that it achieves what it was expected to achieve. As such, there must be a component that assesses or measures performance to ensure consistency with the expected outcomes. These measures need not be quantitative in a statistical sense, but must definitively project its performance against the major objectives. There can be no successful plan without an ability to identify the extent to which its goals, objectives, and major strategies of an agency are implemented.

Despite these well-intentioned efforts, strategic planning—as a sustained, relevant, and high-level management activity—remains an elusive concept for most government agencies. The importance of critical success factors are not well understood and seldom put into practice. Because Federal managers have traditionally had little personal stake in outcomes and because the agency often lacks indisputable measures of performance, strategic planning in the public sector often lacks the strategic thinking and analysis that is critical for any successful strategic plan.

The task for public sector planners is to replace the attributes of successful private sector planning—a personal stake in the outcome and indisputable measures of success—with attributes that are functionally equivalent for government, while remaining consistent with the culture and the ethic of public service.

The importance of the 6 CSFs set forth in this book is not well understood. The methodology for employing them is rarely understood. The remainder of this book will delve deeply into each of the CSFs as to provide students and practitioners to not only understand the fundamental requirements of successful strategic plans, but to incorporate this guidance into their own efforts.

Questions to Ponder

- 1) Why is success in public sector strategic planning so elusive?
- 2) Is strategic planning a meaningful activity in your organization? Does it cause change that produces results (outcomes)?
- 3) Have you participated in a strategic planning project that you would consider successful? What made it successful?
- 4) Why is the critical success factor approach expected to make a difference in the success of public sector strategic plans?
- 5) Does your agency have a formal process for managing change? How does it address the resistance to change that affects so many government agencies?