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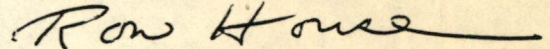
A RESOURCE GUIDE FOR
REHABILITATION FACILITIES

Permission Granted to: Human Services Administration Program
Cornell University, Ithaca, New York

Acknowledgement

This resource workbook is to be used as a guide to develop and implement the strategic planning process.

The material within this booklet has been obtained from the University of Maryland's Center of Rehabilitation and Manpower Services, Amherst H. Wilder Foundation, Minneapolis, Minnesota, and Goodwill Industries of America, Inc.



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Director, Human Services
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May 1988

I. P. PROCESS

STRATEGIC PLAN --- OPERATIONAL PLAN --- RESULTS MANAGEMENT

STRATEGIC PLAN PROCESS ELEMENTS

- ORGANIZATIONAL MISSION
- STRATEGIC ANALYSIS
- STRATEGY
- LONG-TERM OBJECTIVES
- INTEGRATED PROGRAMS
- FINANCIAL PROJECTIONS
- EXECUTIVE SUMMARY

OPERATIONAL PLAN ELEMENTS

OPERATIONAL ANALYSIS

KEY RESULTS AREAS

INDICATORS OF PERFORMANCE

SHORT-TERM OBJECTIVES

ACTION PLANS

BUDGETS

RESULTS MANAGEMENT

CONTROL SYSTEMS

MANAGEMENT REPORTS

ORGANIZATIONAL RESULTS

UNIT RESULTS

CORRECTIVE ACTION

REWARD SYSTEMS

COMPARISON OF PROCESS ELEMENTS

STRATEGIC PLAN

- STARTING POINT
- BROAD AND CONCEPTUAL STRATEGY/L-T OBJ'S.

OPERATIONAL PLAN

- MIDDLE POINT
- HIGHLY SPECIFIC
- IMPLEMENTATION AND RESULTS

RESULTS MANAGEMENT

- ONGOING MECHANISM
- PLAN EXECUTION
- REPORTING/
CONTROLLING/
MODIFYING

ELEMENTS OF STRATEGIC PLAN

ORGANIZATIONAL MISSION	ADDRESSES	WHY?
STRATEGIC ANALYSIS	ADDRESSES	WHY?
STRATEGY	ADDRESSES	WHERE?
LONG-TERM OBJECTIVES	ADDRESSES	WHERE AND HOW?
INTEGRATED PROGRAMS	ADDRESSES	WHEN AND HOW?
FINANCIAL PROJECTIONS AND EXECUTIVE SUMMARY	INCORPORATES	PORTIONS OF ABOVE

ROLE OF STRATEGIC PLANNING PROCESS ELEMENTS

MISSION STATEMENT: IDENTIFIES THE BASIC CONCEPT OF THE ORGANIZATION.
IDENTIFIES THE PURPOSE/REASON FOR BEING. SHOULD
CONTRIBUTE TO A COMMON VISION WITH WHICH EVERYONE
ASSOCIATED WITH THE ORGANIZATION CAN IDENTIFY.

STRATEGIC ANALYSIS: IS THE DATA BASE OF THE STRATEGIC PLAN.
ANALYZES INTERNAL AND EXTERNAL FACTORS. LEADS
TO IDENTIFICATION AND PRIORITIZATION OF CRITICAL
ISSUES.
IS MOST LENGTHY ELEMENT OF STRATEGIC PLANNING PROCESS

STRATEGY: SPECIFIES THE DIRECTION OF THE ORGANIZATION. IT SAYS WHERE
(NOT HOW) WE WILL GO INTO OUR FUTURE. POSITIONS THE
ORGANIZATION FOR THE FUTURE.

A STRATEGY STATES EITHER:

1. CONFIRMS PRESENT DIRECTION
2. ESTABLISHES NEW DIRECTION BASED UPON MISSION
AND STRATEGIC ANALYSIS

LONG-TERM OBJECTIVES: IDENTIFIES THE STRATEGIC RESULTS REQUIRED TO
IMPLEMENT MISSION AND STRATEGY IN THE
ENVIRONMENT SPECIFIED BY THE STRATEGIC ANALYSIS.

EXPRESSES AGENCY DESIRES OFTEN IN TERMS OF:

1. GROWTH
2. PROFITABILITY
3. DIVERSIFICATION
4. NEW PRODUCTS/MARKETS

INTEGRATED PROGRAMS: PRESENTS THE MAJOR CROSS-FUNCTIONAL ACTIONS
NEEDED TO IMPLEMENT THE STRATEGY AND ATTAIN
LONG-TERM OBJECTIVES. INDIVIDUAL ACCOUNTABILITY
IS ASSIGNED. THEY LINK THE STRATEGIC WITH THE
OPERATIONAL.

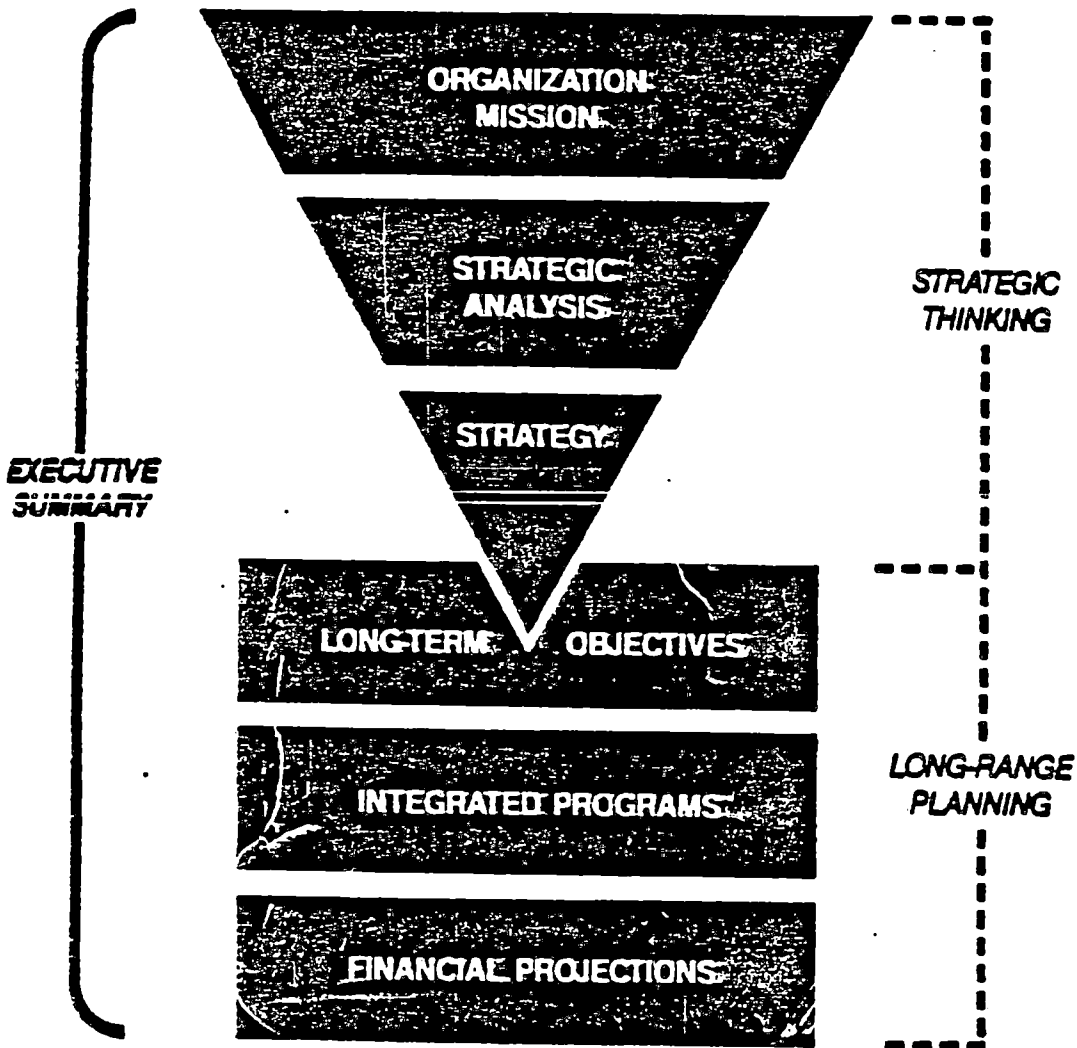
FINANCIAL PROJECTIONS: SUMMARIZES THE PLANNED FINANCIAL RESULTS AND MEASURES OF PERFORMANCE REQUIRED BY THE PLAN. PRESENTS ALL OF THE FINANCIAL INFORMATION IN ONE PLACE IN THE STRATEGIC PLAN.

EXECUTIVE SUMMARY: PERSONALIZES THE PLAN FROM THE CEO'S VIEWPOINT BY:

1. PRESENTING THE ISSUES
2. TESTING THE LOGIC
3. SHARPENS THE FOCUS

What Is Strategic Planning?

Figure 1.4. Strategic Plan Framework



KEY ROLES/FUNCTIONS/STRUCTURES

REASONS WHY MANAGERS WITHHOLD COMMITMENT

1. WE DON'T HAVE THE TIME: IN TRUTH, BETTER PLANNING USUALLY RESULTS IN IMPROVED TIME MANAGEMENT.
2. WE GET PAID FOR RESULTS, NOT PLANS: BETTER PLANNING INCREASES THE PERCENTAGE OF DESIRED RESULTS, WHILE REDUCING THE PERCENTAGE OF UNWANTED AND DREADFUL ONES.
3. THINGS ARE CHANGING TOO FAST: THINGS CHANGE AND PLANS MUST BE FLEXIBLE ENOUGH TO WELCOME MODIFICATION. HOWEVER, PLANS MAKE CHANGE CLEAR BEFORE OR WHEN IT HAPPENS - NOT LATER WHEN CHANGE OVERTAKES IGNORANCE.
4. WHO NEEDS IT? WE'RE DOING OK: AS RECENT STOCK MARKET ACTIVITY INDICATES, SUCCESS CAN BE THE RESULT OF FACTORS WHICH MAY CHANGE OVERNIGHT.

HOW TOP MANAGEMENT SUPPORTS COMMITMENT

1. MAKING STRONG AND VISIBLE COMMITMENT TO PLANNING
2. SETTING CLEAR AND REALISTIC EXPECTATIONS
3. COACH/TRAINING OTHERS IN PLANNING
4. PROVIDE TOP PRIORITY ATTENTION TO STRATEGIC PLANNING
PROCESS DURING PEAK PLANNING ACTIVITY PERIODS
5. MINIMIZE THE PLANNING RELATED PAPERWORK
6. CLARIFY ROLES IN THE PLANNING PROCESS

KEY ROLES ON THE PLANNING TEAM

1. THE CEO: SHOULD BE SEEN AS THE PERSON PROVIDING DIRECT AND ACTIVE LEADERSHIP TO PLAN DEVELOPMENT.
DUTIES INCLUDE APPROVAL/INVOLVEMENT IN:
 - A. DEVELOPMENT OF MISSION STATEMENT
 - B. I.D. AND PRIORITIZATION OF CRITICAL ISSUES
 - C. DEVELOPMENT OF STRATEGY
 - D. I.D. AND STATEMENT OF LONG-TERM OBJECTIVES
 - E. CREATION OF EXECUTIVE SUMMARY
2. THE SENIOR EXECUTIVE TEAM: INCLUDES 5 TO 7 KEY MANAGERS WHO SERVE AS AN EXTENSION OF THE CEO REPRESENTING FIRST, THE ORGANIZATION AS A WHOLE AND SECOND, THEIR DIVISIONS, DEPARTMENTS, UNITS.
3. THE BOARD OF DIRECTORS: RETAINS THE RIGHT OF REVIEW AND FINAL APPROVAL. AS INDIVIDUALS OR AS A GROUP MAY OFFER ADVICE. INVOLVEMENT LIMITED TO ESTABLISHMENT OF GENERAL GUIDELINES OF DIRECTION AND FINANCIAL PROJECTIONS.

4. PLANNING MANAGER: DESIGNATED WITHIN THE AGENCY TO ASSURE THAT THE PLAN IS DEVELOPED ON TIME BY:

- A. DEVELOPING AND MONITORING THE PLANNING SCHEDULE
- B. COORDINATING LOGISTICS
- C. DOCUMENTATION AND RECORD DISTRIBUTION

5. FACILITATOR: ASSURES AND ORGANIZES THE PARTICIPATIVE PROCESS BY:

- A. PLANNING SYSTEM DESIGN
- B. CEO COACHING/COUNSELING
- C. PLANNING MEETING DESIGN
- D. EXECUTIVE/MANAGERIAL TRAINING
- E. PLANNING MEETING FACILITATION
- F. PLAN DOCUMENTATION

**STEP ONE: ANALYSIS OF
MISSION/VALUES/STAKEHOLDERS**

REASONS FOR A STRONG MISSION STATEMENT

1. ENSURES CONSISTENCY AND CLARITY OF PURPOSE
2. PROVIDES POINT OF REFERENCE FOR DECISIONS
3. GAINS COMMITMENT WITHIN THE ORGANIZATION
4. GAINS UNDERSTANDING AND SUPPORT FROM WITHOUT

QUESTIONS ASSOCIATED WITH MISSION STATEMENT REVIEW

1. WHAT BUSINESS SHOULD WE BE IN ?

- IDENTIFY YOUR AGENCY NICHE IN THE COMMUNITIES OF:
 - A. SERVICE RECIPIENTS
 - B. SERVICE PROVIDERS
 - C. SMALL BUSINESSES

2. WHY DO WE EXIST ?

- HOW AND FOR WHOM WOULD LIFE CHANGE IF WE WERE NOT ?

3. HOW ARE WE UNIQUE ?

- SPECIAL PRODUCTS/SERVICE
- CONCENTRATION OF EFFORT
- GEOGRAPHIC LOCATION
- NATURE OF MARKETS/CUSTOMERS
- UNIQUE CAPACITIES
- KEY PEOPLE/GROUPS
- METHOD OF DISTRIBUTION
- TYPE OF SUPPORT SERVICES
- LEGISLATIVE MANDATES
- FRANCHISES

4. WHO ARE OUR CUSTOMERS/USERS ?

- WHO NEEDS AND WANTS WHAT WE HAVE TO OFFER ?
- WHO IS RESPONSIBLE FOR GETTING IT FROM US ?
- WHO PAYS FOR IT ?

5. WHAT ARE OUR PRODUCTS/SERVICES NOW AND FUTURE ?

- CREATE GROUPS OF SERVICE/PRODUCTS

6. WHAT ARE OUR MAIN MARKET SEGMENTS NOW AND FUTURE ?
 - SEGMENTS ARE GROUPS OF CUSTOMERS THAT CAN BE SEGREGATED ON THE BASIS OF FACTORS SUCH AS GEOGRAPHY, DEMOGRAPHY, STATUS.
7. HOW ARE WE DIFFERENT FROM THE WAY WE WERE 3-5 YEARS AGO ?
 - HOW HAS THE NATURE OF OUR BUSINESS CHANGED ?
 - WHAT FACTORS ACCOUNT FOR THE CHANGE (S) ?
8. HOW ARE WE MOST LIKELY TO BE DIFFERENT 3-5 YEARS FROM NOW ?
 - INEVITABLE CHANGES SUCH AS DEMOGRAPHICS
 - CONTROLLABLE CHANGES SUCH AS MARKET POSITION
9. WHAT ARE OUR MAJOR ECONOMIC CONCERNS AND HOW CAN WE MEASURE THEM ?
10. WHAT PHILOSOPHICAL ISSUES ARE IMPORTANT TO OUR FUTURE ?

- IMAGE	- QUALITY
- LEADERSHIP POSITION	- ENVIRONMENTAL IMPACT
- PRODUCTIVITY	- MANAGEMENT APPROACH
- INNOVATION	- RISK TAKING
- CHANGE AGENCY	
11. CONCERNS FOR OUR SPECIAL STAKEHOLDERS ?

- THE BOARD	- PARENT ORGANIZATIONS
- PARENTS OF CONSUMERS	- CONSUMERS
- EMPLOYEES	- LEGISLATURES
- GOVERNMENT AGENCIES	- SUPPLIERS
- ADVOCATES/GROUPS	- BUSINESS COMMUNITY
- GENERAL PUBLIC	- ???????????????

PARTS OF THE MISSION STATEMENT

1. UMBRELLA STATEMENT (15 - 30 WORDS)

SHOULD BE SHORT ENOUGH TO BE EASY TO REMEMBER !!

IDENTIFIES THE CONCEPTUAL NATURE OF THE BUSINESS IN WHICH
THE AGENCY EXPECTS TO BE ENGAGED IN ITS FUTURE

2. DETAILED STATEMENT (1/2 TO 1 PAGE LONG)

USUALLY BEGINS:

"IN SUPPORT OF ITS MISSION, THIS ORGANIZATION IS
COMMITTED TO..."

SAMPLE ONE

THE _____ IS IN THE BUSINESS OF PROVIDING HIGH QUALITY, INEXPENSIVE COMPUTER HARDWARE AND SOFTWARE TO WORK ORIENTED HUMAN SERVICE ORGANIZATIONS,

IN SUPPORT OF OUR MISSION, WE ARE COMMITTED TO:

- BEING RECOGNIZED BY OUR CUSTOMERS FOR BEING RESPONSIVE AND ORIENTED TO THEIR NEEDS
- BEING RECOGNIZED FOR THE TECHNICAL QUALITY OF BOTH OUR HARDWARE AND SOFTWARE
- BEING APPRECIATED BY OUR EMPLOYEES AND OUR SUPPLIERS FOR EXCELLENCE AND INTEGRITY IN BUSINESS OPERATIONS
- PROVIDING A PLACE TO WORK SUPPORTIVE OF PERSONAL GROWTH, EXCELLENCE AND CREATIVITY

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Figure 3.1. Clarifying an Organization's Mission.

- 1. What business should we be in?**
- 2. Why do we exist (what is our basic purpose)?**
- 3. What is unique or distinctive about our organization?**
- 4. Who are our principal customers, clients, or users?**
- 5. What are our principal products/services, present and future?**
- 6. What are our principal market segments, present and future?**
- 7. What are our principal outlets/distribution channels, present and future?**
- 8. What is different about our business from what it was between three and five years ago?**
- 9. What is likely to be different about our business three to five years in the future?**
- 10. What are our principal economic concerns, and how are they measured?**

STEP TWO

THE STRATEGIC ANALYSIS DATA BASE

EXTERNAL FACTORS

MARKET SEGMENTS

TECHNOLOGY

COMPETITION

INDUSTRY STRUCTURE

OPPORTUNITY/THREATS

INTERNAL FACTORS

FINANCIAL RESOURCES

PRODUCTS/SERVICES

INTERNAL CAPABILITIES

STRATEGIC STRENGTHS

STRENGTHS/LIMITATIONS

STRATEGIC ANALYSIS QUESTIONS

1. ARE WE DIGGING INTO THE REALLY CRITICAL ISSUES ?
2. DO WE HAVE ENOUGH INFORMATION TO MAKE IMPORTANT DECISIONS ?
3. ARE WE IMPLEMENTING THE HIGHEST LEVEL OF JUDGEMENT POSSIBLE ?
4. ARE WE GETTING TO THE ROOT CAUSES OF THE ISSUES ?
5. ARE OUR ANALYSES ENDING IN CONCLUSIONS ?
6. HOW DEFENSIBLE ARE OUR CONCLUSIONS ?

THE CRITICAL ISSUES APPROACH TO STRATEGIC ANALYSIS

A CRITICAL ISSUE IS A COMPLEX SITUATION, EVENT OR TREND THAT THAT IS LIKELY TO MAKE A DIFFERENCE BETWEEN ATTAINING AVERAGE OR SUPERIOR ORGANIZATIONAL PERFORMANCE OVER A 3 - 5 YEAR PERIOD.

TYPES OF CRITICAL ISSUES INCLUDE:

- DEMOGRAPHICS: CUSTOMERS/PURCHASERS/COMMUNITY
- MONEY SUPPLY: GRANTS/CONTRACTS/LOANS
- LEGISLATION: SHIFTS IN PRIORITIES/MODELS/OUTCOMES
- RESOURCES: MANPOWER/FACILITIES/EQUIPMENT/MATERIALS
- SUPPORT: CUSTOMERS/ADVOCATES/GOVERNMENT

STEPS IN A STRATEGIC ANALYSIS

STEP ONE: AGREE ON CRITICAL ISSUES

STEP TWO: DIVISION OF LABOR

STEP THREE: COMPLETE INDIVIDUAL ASSIGNMENTS

STEP FOUR: PRESENTATION OF ANALYSIS ASSIGNMENTS

STEP FIVE: AGREEMENT ON ANALYSIS AND CONCLUSIONS

AGREE ON CRITICAL ISSUES

PLANNING TEAM:

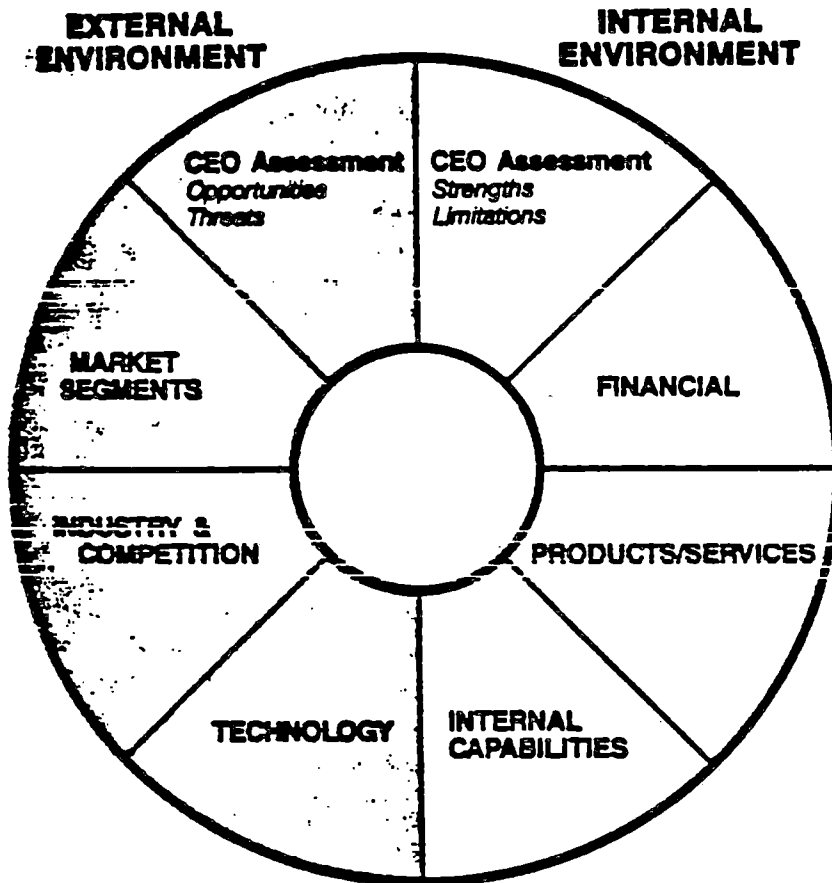
1. INDIVIDUALLY IDENTIFY ON PAPER THE CRITICAL ISSUES
DESCRIBE THE ISSUES
EXPLAIN IMPORTANCE
INDICATE POTENTIAL IMPACT
2. CORPORATELY SHARE AND DISCUSS ABOVE
3. DELETE THOSE FOUND TO BE NON-CRITICAL

RECOGNIZING A CRITICAL ISSUE

A CRITICAL ISSUE MAY BE RECOGNIZED AS:

1. THE SIZE OF THE GAP BETWEEN HISTORIC PERFORMANCE AND DESIRED PLANNED PERFORMANCE (MAGNITUDE OF CHANGE)
2. IMPACT ON AGENCY AND AGENCY GROWTH
3. SPECIAL REQUIREMENTS FOR ACCOMPLISHING THE MISSION AND POTENTIAL BARRIERS

SITUATIONAL ANALYSIS WHEEL



EXTERNAL ENVIRONMENT ELEMENTS

1. CEO ASSESSMENT OF EXTERNAL OPPORTUNITIES AND THREATS
2. MARKET SEGMENTS TREND ANALYSIS OF DEMOGRAPHICS, GEOGRAPHIC DISPERSION, CUSTOMER GROUPS AND CHANNELS OF DISTRIBUTION
3. INDUSTRY AND COMPETITION OF NUMBER OF TYPES OF COMPETITORS, THEIR KNOWN AND ANTICIPATED CAPABILITIES, ETC.
4. TECHNOLOGY ANALYSIS OF PRESENT AND FUTURE IMPACTS OF "STATE-OF-THE-ART" DEVELOPMENTS, TECHNOLOGICAL OBSOLESCENCE, NEW APPLICATIONS, ETC.

INTERNAL ENVIRONMENT ASSESSMENT

1. CEO ASSESSMENT OF INTERNAL STRENGTHS AND WEAKNESSES OF TECHNICAL CAPACITY, PRODUCT QUALITY, PRODUCTIVE CAPACITY, IMAGE IN THE MARKET
2. FINANCIAL ASSESSMENT OF PAST PERFORMANCE AND ANTICIPATED NEEDS, BOTH CAPITAL AND OPERATING AS WELL AS POSSIBLE SOURCES OF FUNDS
3. PRODUCTS/SERVICES ASSESSMENT OF PRESENT AND POSSIBLE OFFERINGS (REMEMBERING DATA COLLECTED IN THE EXTERNAL ASSESSMENT)
4. INTERNAL CAPACITIES IDENTIFICATION OF PRESENT AND POTENTIAL ACTIVITIES IN AREAS SUCH AS:
 - PRODUCTION OPERATIONS
 - RESEARCH AND DEVELOPMENT (INNOVATION)
 - MANAGEMENT CAPACITIES
 - MANAGEMENT SYSTEMS (MIS)
 - HUMAN RESOURCES

GENERAL ANALYSIS QUESTIONS

1. GIVEN THE MISSION, WHAT ARE THE KEY FACTORS TO BE REVIEWED ?
2. HOW MUCH INFORMATION IS AVAILABLE AND NEEDED TO DECIDE ON THIS ISSUE/FACTOR ?
3. WHAT TRENDS HAVE WE NOTICED IN THE LAST 3 - 5 YEARS ?
4. HOW LARGE IS THE GAP BETWEEN OUR RECENT PAST PERFORMANCE AND WHAT WE THINK WE WANT/NEED ?
5. DOES ANYTHING NEED TO BE ADDRESSED RIGHT NOW ?

STEP THREE

STEP 3: COMPLETE ANALYSIS ASSIGNMENTS

1. BRING GROUP TOGETHER IN GENERAL PRESENTATION FORMAT. PROVIDE ALL PARTICIPANTS THE OPPORTUNITY TO HEAR AND REACT TO THE WORK OF OTHERS.
2. BRING IN OTHER KEY PEOPLE WHO ARE NOT ON THE "PLANNING TEAM" TO GAIN FROM THEIR KNOWLEDGE AND CO-OPT POTENTIAL RESISTANCE.
3. LOOK FOR "ROOT CAUSES" BEHIND THE AGREED UPON CRITICAL ISSUES.

PARTS OF THE COMPLETED ANALYSIS

1. NARRATIVE DESCRIPTION AND DISCUSSION OF EACH ISSUE.

- A. NAME THE ISSUE
- B. DESCRIBE THE ISSUE
- C. VALIDATE ITS CRITICAL IMPORTANCE
- D. HIGHLIGHT DATA COLLECTED
- E. DESCRIBE ORGANIZATIONAL IMPACT

2. OUTLINE ANALYSIS OF ROOT CAUSES

PROVE IT IS A ROOT CAUSE, NOT A SYMPTON.

3. SUMMARY OF BROAD CONCLUSIONS

- A. RECOMMENDATIONS
- B. ALTERNATIVES

PRESENTATION OF ANALYSES

EACH TEAM MAKES A FORMAL PRESENTATION OF FINDINGS AND CONCLUSIONS:

1. LIMIT WRITTEN ANALYSES TO 3 PAGES
2. STATE MAJOR CONCLUSION (S) UP FRONT
3. USE GRAPHS/CHARTS WHEN APPROPRIATE

REVIEWING ANALYSES

1. CONSISTENCY OF CONCLUSIONS/RECOMMENDATIONS ACROSS PRESENTATIONS
2. INCONSISTENCIES BETWEEN ANALYSES
3. FACTS THAT SUPPORT ISSUES AND CONCLUSIONS
4. GAPS IN INFORMATION REQUIRING "LEAPS OF FAITH"

AGREEMENT UPON ANALYSIS

TEAM AGREEMENT IS NEEDED UPON:

1. ANALYTIC APPROACH USED IN EACH ISSUE AREA
2. CREDIBILITY OF INFORMATION PRESENTED IN EACH AREA
3. SOUNDNESS OF EACH CONCLUSION
4. AGREEMENT UPON PRIORTIZATION OF "KEY" ISSUES

CORPORATE STRATEGY

STRATEGY DETERMINES OVERALL DIRECTION

IT SAYS "WHERE WE ARE TO GO"

NOT

"HOW WE WILL GET THERE"

STEPS IN STRATEGY DEVELOPMENT

1. IDENTIFY AND DEFINE FACTORS DETERMINING DIRECTION
2. PRIORITIZE THE FACTORS IDENTIFIED
3. IDENTIFY ORGANIZATION'S DRIVING FORCE
4. IDENTIFY NEEDED CHANGES TO MOVE IN DESIRED DIRECTION
5. DEVELOP A STRATEGY STATEMENT TO ESTABLISH CLEAR DIRECTION

GENERAL STRATEGIC AREAS

1. PRODUCTS OFFERED TO CUSTOMERS DEFINED IN TERMS OF:

- A. FUNCTIONS PERFORMED
- B. CUSTOMER NEEDS SATISFIED
- C. SIZE/FORM/QUANTITY

2. SERVICES OFFERED SUCH AS:

- A. FINANCIAL
- B. INFORMATION
- C. MEDICAL/LEGAL
- D. TRAINING
- E. HOUSING
- F. ADVOCACY

3. MARKET NEEDS DELINEATED BY:

- A. AGE
- B. DISABILITY
- C. PARTICULAR NEED
- D. INCOME
- E. INDUSTRY
- F. LEGISLATION

GENERAL STRATEGIC AREAS II

4. CUSTOMER NEEDS - OF A PREDETERMINED GROUP OF KNOWN USERS

- A. ADDITION OF NEW PRODUCTS
- B. PROVISION OF NEW SERVICES

5. TECHNOLOGY - INCLUDES:

- A. STAFF KNOWLEDGE
- B. SYSTEMS
- C. EQUIPMENT
- D. SUPPORT FACILITIES

6. PRODUCTION CAPABILITY INCLUDES:

A. MANUFACTURING ORGANIZATION

- | | |
|--------------|--------------|
| 1. KNOWLEDGE | 3. PROCESS |
| 2. SYSTEMS | 4. EQUIPMENT |

B. SERVICE ORGANIZATION

- | | |
|--------------|-----------|
| 1. PROCESSES | 3. SKILLS |
| 2. SUPPORTS | |

GENERAL STRATEGIC AREAS III

7. METHOD OF SALE: PRIMARY WAY IN WHICH ORDERS ARE OBTAINED
 - A. CUSTOMER
 - B. END USER
8. METHOD OF DISTRIBUTION: HOW PRODUCTS REACH CUSTOMER
9. NATURAL RESOURCES: DOES NOT INCLUDE HUMAN RESOURCES
10. SIZE/GROWTH INDIVIDUALLY AND INTERACTIVELY
11. RETURN/PROFIT AS MEASURED BY:
 - A. PERCENT OF SALES
 - B. RETURN ON EQUITY
 - C. COST/BENEFIT RATIO
 - D. UNIT OF SERVICE COST
 - E. QUALITY INDICES

STRATEGIC AREAS DECISION MATRIX

Formulating Strategy

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	
	Products Offered	Services Offered	Market Needs	Customer Needs	Technology	Production Capability	Method of Sale	Method of Distribution	Natural Resources	Size/Growth	Return/Profit				TOTAL X's
Products Offered	X														1
Services Offered	X	X													2
Market Needs	X	X	X												3
Customer Needs	X	X	X	X											4
Technology	X	X	X	X	X										5
Production Capability	X	X	X	X	X	X									6
Method of Sale	X	X	X	X	X	X	X								7
Method of Distribution	X	X	X	X	X	X	X	X							8
Natural Resources	X	X	X	X	X	X	X	X	X						9
Size/Growth	X	X	X	X	X	X	X	X	X	X					10
Return/Profit	X	X	X	X	X	X	X	X	X	X	X				11
	X	X	X	X	X	X	X	X	X	X	X	X			12
	X	X	X	X	X	X	X	X	X	X	X	X	X		13
	X	X	X	X	X	X	X	X	X	X	X	X	X	X	14
Vertical (spaces)															
Horizontal (X's)															
TOTAL															
Rank Order															

Instructions

Review list of strategic areas and eliminate any that do not apply to your organization; add any additional ones that may be appropriate on the blank lines, repeating each under the corresponding number at the top.

Evaluate #1 against #2. If *more important*, place *x* in box under #2; if *less important*, leave blank. Repeat with *each* remaining number. Continue to next line; repeat.

Total *x*'s across for each number; enter in "Horizontal" box at bottom; total spaces down for each number; enter in "Vertical" box at bottom; *add both* for TOTAL.

Largest number under "TOTAL" will be 1 in "Rank Order"; next largest will be 2, and so on. If two or more areas have same total, rank order is determined by comparing each subjectively against others with the same total.

DEVELOPING A STRATEGY STATEMENT

1. WHAT SHOULD BE OUR FUTURE DRIVING FORCE ?
2. HOW DOES IT DIFFER FROM PRESENT DRIVING FORCE ?
3. WHAT CHANGES DOES THAT REQUIRE US TO MAKE ?
4. HOW COMPATIBLE IS IT WITH OUR CURRENT MISSION ?
5. HOW IS IT COMPATIBLE WITH THE CONCLUSIONS OF OUR STRATEGIC ANALYSIS ?

LONG TERM OBJECTIVES

DESCRIBE WHAT WE WANT TO BE 3 - 5 YEARS DOWN THE ROAD

FOCUS UPON POSITION MORE THAN SPECIFIC ACCOMPLISHMENTS

FLOW FROM MISSION, STRATEGIC ANALYSIS AND STRATEGY

SELECTING LONG-TERM OBJECTIVES

1. IDENTIFY AREAS OF STRATEGIC CONCERN
2. WITHIN CATEGORIES IDENTIFY RESULTS SUPPORTIVE OF MISSION AND STRATEGY
3. AGREE UPON 3 - 6 LONG-TERM OBJECTIVES

TESTING LONG-TERM OBJECTIVES

1. Is IT MEASURABLE OR VERIFIABLE ?
2. Is IT ACHIEVABLE OR FEASIBLE ?
3. Is IT FLEXIBLE OR ADAPTABLE ?
4. Is IT CONSISTENT WITH EVERY THING ELSE PLANNED ?

FLAGGING ASSUMPTIONS

FOR EACH LONG-TERM OBJECTIVE, ANY AFFILIATED ASSUMPTIONS SHOULD BE IDENTIFIED TO:

1. PROVIDE A REFERENCE FOR PERFORMANCE
2. PROVIDE A CAUTION FOR CHANGES

FINANCIAL PROJECTIONS

FINANCIAL SUMMATION OF THE PLAN IN ONE LOCATION IS IMPORTANT TO:

1. PRESENT THE PLANNED FINANCIAL RESULTS
2. PROVIDE A FORMAT FOR FINANCIAL COMMUNICATIONS
3. ORGANIZE FINANCE-RELATED INFORMATION

CONTENT OF FINANCIAL PROJECTIONS SECTIONS

1. FORECAST OF INCOME STATEMENT
2. FORECAST BALANCE SHEET
3. CAPITAL EXPENDITURES FORECAST
4. KEY INDICATORS OF FINANCIAL PERFORMANCE
5. FINANCIAL NARRATIVE SUMMARY

o.

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Figure 8.1. Sample Income Statement.
(Expressed in 000s.)

	<i>Product Lines</i>			<i>Total</i>
	<i>1</i>	<i>2</i>	<i>3</i>	
Sales (current)	\$5,000	\$8,000	\$12,000	\$25,000
Sales (constant)	\$4,750	\$7,680	\$11,520	\$23,950
Sales in units	500	1,000	1,500	3,000
Cost of sales	\$3,500	\$5,000	\$ 9,000	\$17,500
Gross margin	\$1,500	\$3,000	\$ 3,000	\$ 7,500
Gross margin (%)	30.0	37.5	25.0	30.0
Operating expenses	\$1,500	\$2,000	\$ 2,000	\$ 5,500
Operating expenses (%)	30.0	25.0	16.6	22.0
Net income	\$ 0	\$1,000	\$ 1,000	\$ 2,000
Net income (%)	0	12.5	8.5	8.0

Figure 8.2. Sample Summary Balance Sheet.
(Expressed in 000s.)

Assets:	
Cash	\$ 100
Accounts receivable	150
Inventory	
- Raw materials	200
- Work in process	200
- Finished goods	800
Property, plant and equipment	\$2,500
Less accumulated depreciation	(500)
Property, plant and equipment—Net	<u>2,000</u>
Total assets	<u><u>\$3,450</u></u>
Liabilities:	
Accounts payable	\$ 100
Other current liabilities	600
Long-term debt	700
Equity	<u>2,050</u>
Total liabilities	<u><u>\$3,450</u></u>

Figure 8.2. Sample Summary Balance Sheet.
(Expressed in 000s.)

<i>Assets:</i>	
Cash	\$ 100
Accounts receivable	150
Inventory	
- Raw materials	200
- Work in process	200
- Finished goods	800
Property, plant and equipment	\$2,500
Less accumulated depreciation	(500)
Property, plant and equipment - Net	<u>2,000</u>
Total assets	<u><u>\$3,450</u></u>
 <i>Liabilities:</i>	
Accounts payable	\$ 100
Other current liabilities	600
Long-term debt	700
Equity	<u>2,050</u>
Total liabilities	<u><u>\$3,450</u></u>

Figure 8.3. Sample Capital Expenditures.
(Expressed in 000s.)

<i>Integrated Program</i>	<i>Capital Expenditure</i>	<i>Year</i>			<i>Amount</i>
		<i>1</i>	<i>2</i>	<i>3</i>	
Engineering	Engineering prototype lab	X			\$350
Manufacturing	New product line equipment		X		\$250
Distribution	Warehouse expansion			X	\$125
				Total	<u>\$725</u>

THE EXECUTIVE SUMMARY

1. SUMMARIZES THE PLAN
2. IDENTIFIES THE ISSUES
3. TESTS THE LOGIC
4. FOCUSES THE ENTIRE EFFORT

ROLE OF THE EXECUTIVE SUMMARY

1. COMMUNICATES THE VISION
2. ESTABLISHES PRIORITIES
3. DEMONSTRATES COMMITMENT

QUESTIONS ANSWERED BY THE EXECUTIVE SUMMARY

1. HOW DOES CURRENT PERFORMANCE MATCH PREVIOUS STRATEGIC PLANS ?
2. WHAT ARE OUR KEY FINANCIAL PROJECTIONS ?
3. WHAT ARE THE CRITICAL ISSUES WHICH WILL AFFECT US ?
4. WHY IS THE PLANNED STRATEGY APPROPRIATE ?
5. WHAT ARE THE KEYS TO SUCCESS IN THE PLAN ?

CONCERNS IN WRITING THE SUMMARY

1. TIME
2. CONFIDENTIALITY
3. PERSONAL VULNERABILITY

OTHER USES FOR THE SUMMARY

1. CREATES AWARENESS OF ORGANIZATIONAL:
 - A. STRATEGIC DIRECTION
 - B. NEEDS
2. FOCAL POINT FOR INTERNAL COMMUNICATION

READINESS FOR STRATEGIC PLANNING

1. TIME REQUIRED
2. NUMBER AND TYPES OF MEETINGS
3. INDIVIDUAL PREPARATION EFFORT
4. ROLES OF TEAM MEMBERS
5. MIND SET OF PARTICIPANTS

Developing and Implementing Your Strategic Plan

Figure 10.1. Planning Assessment Checklist.

	CURRENT STATUS			ACTION (When & Whom)
	O.K.	NEED	N/A	
Integrated Planning Process understood _____				
Plan to plan _____				
Planning roles clarified _____				
- CEO _____				
- Senior executive team _____				
- Board _____				
- Coach/facilitator _____				
- Planning coordinator _____				
- Internal planning staff _____				
- Other managers _____				
- Other employees _____				
Planning team selected _____				
<u>STRATEGIC PLANNING</u>				
Organization mission _____				
Strategic analysis _____				
- External opportunities & threats _____				
- Market segments _____				
- Industry & competition _____				
- Technology _____				
- Internal strengths & limitations _____				
- Financial _____				
- Products/services _____				
- Internal capabilities _____				
- Analysis assignments _____				
- Critical issues _____				
- Major conclusions _____				
Strategy statement _____				
Long-term objectives _____				
Integrated programs _____				
Financial projections _____				
Executive summary _____				
Strategic plan implementation _____				

The Executive Guide to Strategic Planning

Figure 10.2. Example of a Completed Planning Assessment Checklist.

	CURRENT STATUS			ACTION (When & Whom)
	O.K.	NEED	N/A	
Integrated Planning Process understood	✓			
Plan to plan		✓		update and reinforce draft by 2/1 - Doris
Planning roles clarified				
- CEO	✓			
- Senior executive team	✓			
- Board		✓		I will handle - next mtg
- Coach/facilitator		✓		candidates identified 2/1-
- Planning coordinator	✓			Sam
- Internal planning staff			✓	
- Other managers			✓	
- Other employees			✓	
Planning team selected	✓			
STRATEGIC PLANNING				
Organization mission	✓			
Strategic analysis				
- External opportunities & threats		✓		I will prepare by 2/1
- Market segments	✓			let's discuss - staff mtg - Bill
- Industry & competition	✓			
- Technology	✓			
- Internal strengths & limitations		✓		I will prepare by 2/1
- Financial	✓			
- Products/services	✓			
- Internal capabilities		✓		assessment by 2/1 - Sam
- Analysis assignments	✓			
- Critical issues	✓			
- Major conclusions	✓			
Strategy statement		✓		reconfirm - 2/21 planning mtg.
Long-term objectives	✓			
Integrated programs		✓		see plan to plan
Financial projections	✓			
Executive summary		✓		I will prepare by 4/15
Strategic plan implementation		✓		plan developed by 5/1 - Sam

Table 10.1. Time Required for Strategic Planning.

<i>Elements of Strategic Plan</i>	<i>Team Meeting Time (Days)</i>	
	<i>Minimum</i>	<i>Maximum</i>
Introduction to process	½	1
Organization mission	½	1
Strategic analysis	2	3
Strategy formulation	½	1
Long-term objectives	½	1
Integrated programs	1	2
Financial projections		
Executive summary		
Review of plan	1	1
Total days	6	10

The Executive Guide to Strategic Planning

Table 10.2. Elements Addressed During Four Team Meetings.

<i>Elements of Strategic Plan</i>	<i>Team Meetings</i>			
	<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>
Introduction to process	X			
Organization mission	X			
Strategic analysis	X	X		
Strategy formulation	X	X		
Long-term objectives		X	X	
Integrated programs			X	X
Financial projections			X	X
Executive summary				X
Review of plan				X

Note: X indicates element(s) covered at each meeting.

Table 10.3. Elements Addressed During Eight Team Meetings.

<i>Elements of Strategic Plan</i>	<i>Team Meetings</i>							
	<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>	<i>5</i>	<i>6</i>	<i>7</i>	<i>8</i>
Introduction to process	X							
Organization mission	X	X						
Strategic analysis		X	X	X				
Strategy formulation				X	X			
Long-term objectives					X	X		
Integrated programs						X	X	
Financial projections							X	X
Executive summary								X
Review of plan								X

Note: X indicates element(s) covered at each meeting.

Developing and Implementing Your Strategic Plan

10.4. A typical plan will contain between twenty and forty pages. Essential backup data or additional detailed analysis may be included in a separate exhibit section of the plan, if needed. Strategic plans are not lengthy documents. They are designed to communicate the organization's future direction and to provide a broad road map for getting there.

Figure 10.4. Sample Table of Contents for a Strategic Plan.

<i>Section</i>	<i>Page No.</i>
Executive Summary	1-3
Actual Dollars: Past Five Years	
Constant Dollars: Projected Five Years	
Organization Mission	4
Strategic Analysis	5-15
Markets/Products Analysis	
Bookings Review/Forecast	
Materials Cost	
Information Systems	
Human Resources	
Facilities	
Strategy Statement	16
Long-Term Objectives	17
Integrated Programs	18-22
Existing Sales Volume	
Materials Cost	
New Products—New and Existing Markets	
Financial Projections	23-26
The Integrated Planning Process	27-28
Strategic Plan Implementation	29

How Is the Plan Presented for Review and Approval?

The final step in plan development is review and approval of the plan by the board of directors, higher-level corporate management, a legislative body, or an internal management group that has approval authority. Many hours of effort have been invested by the team. It is important that their best story be presented. There are three major steps, with interim reviews as needed:

PRESENTING THE PLAN FOR FINAL APPROVAL

1. DRAFT REVIEW AND AGREEMENT UPON FINAL DOCUMENT
2. REVIEW THE PACKAGE FOR IMAGE
3. THE PRESENTATION

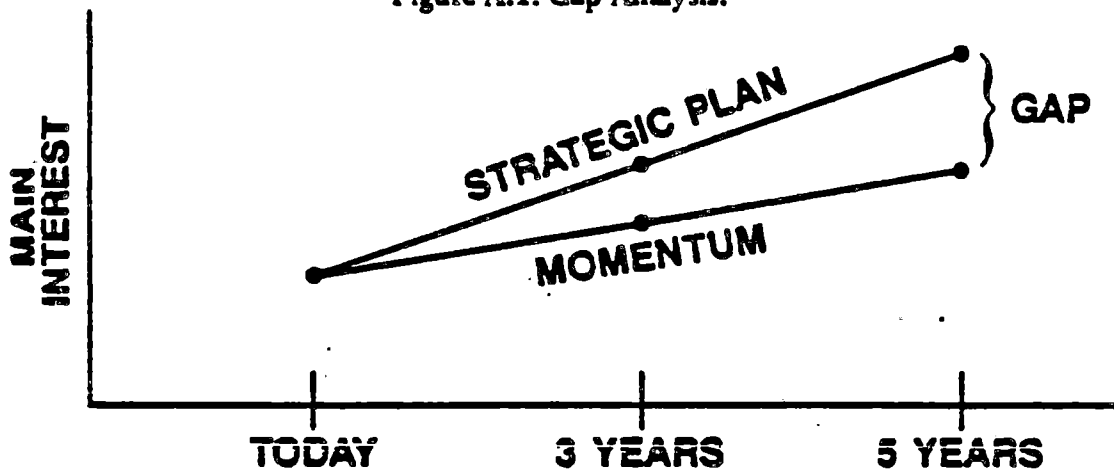
GAP ANALYSIS

1. IDENTIFY MAIN STRATEGIC PLANNING FACTORS
2. IDENTIFY CURRENT DIRECTION AND MOMENTUM
3. IDENTIFY SPECIFIC OBJECTIVES OF STRATEGIC PLAN
4. ESTIMATE GAP BETWEEN DESIRED DIRECTION AND CURRENT MOMENTUM
5. DEVELOP SPECIFIC ACTIONS TO FILL THE GAP

A. GAP ANALYSIS

The gap analysis technique is a simple but effective method of strategic analysis. The purpose of this technique is first to determine whether a gap exists in a particular situation and then, if one does, to describe what is needed to fill it. Figure A.1 portrays this technique.

Figure A.1. Gap Analysis.



The approach for using the gap analysis technique is as follows:

1. Identify the main interest in terms of strategic planning factors. This may be sales projections, net profit, return on investment, or whatever else is relevant.
2. Identify current momentum or where current projections are likely to take you in the future (generally within three to five years).
3. Identify the specific objectives you would like to accomplish via the strategic plan.
4. Identify the difference between the strategic plan objectives and the current momentum. This is the gap that needs to be filled.
5. Finally, identify specific programs, results, and actions required to fill the gap.

THE PRODUCT-MARKET MATRIX

A. GROSS RELATIONSHIPS BETWEEN PRODUCTS AND MARKETS

Another effective use of gap analysis is in reconciling top-down planning expectations and bottom-up projections. For example, if the CEO is looking for a 20 percent return on investment and analysis shows that 16 percent is more realistic, there needs to be either a discussion and resolution of means for filling this 4 percent gap or a revision of the top-down requirements.

B. PRODUCT-MARKET MATRIX

The purpose of this technique, highlighted by George Steiner (1977) and others, is to depict, in a matrix format, the relationship between major product/service lines and various market segments. This approach is illustrated in Figure B.1.

Figure B.1. Product-Market Matrix: Application A.

PRODUCT/SERVICE LINES	MARKET SEGMENTS	
	PRESENT	FUTURE
PRESENT		
FUTURE		

The product-market matrix requires identification of and agreement on both present and future product and/or service lines. Identification of and agreement on present and future market segments is also required. The matrix may be completed using such information as total sales in dollars, unit sales, percentages of product mix, profitability, percentages of market share, and market growth trends. The result of this approach is the portrayal of the product/

B. RISKS ANALYSIS

Further Resources: Strategic Analysis Techniques

service and market relationships that are of strategic importance to the organization. For example, future growth or expansion of a product line coupled with a corresponding growth in a related market segment would suggest a strong strategic opportunity.

Another application of the product-market matrix is shown in Figure B.2. This matrix may be used to identify

Figure B.2. Product-Market Matrix: Application B.

PRODUCT \ MARKET	PRESENT	RELATED	UNRELATED
PRESENT	LOW RISK		HIGH RISK
RELATED			
UNRELATED	HIGH RISK		EXCESSIVE RISK

Source: Steiner, 1977, p. 18. Used by permission.

the potential risk involved as future products and markets are compared. The position in the matrix is strategically significant as plans are developed.

C. PORTFOLIO ANALYSIS

Portfolio analysis, illustrated in Figure C.1, is market-segment oriented as the company's market share and the growth rate of the market are compared.

PORTFOLIO ANALYSIS COMPARES MARKET SHARE AND MARKET GROWTH RATE:

Figure C.1. Portfolio Analysis.

		GROWTH RATE	
		HI	LO
MARKET SHARE	HI	GROWTH OPPORTUNITY	INCOME GENERATOR
	LO	UNCERTAIN?	DIVEST?

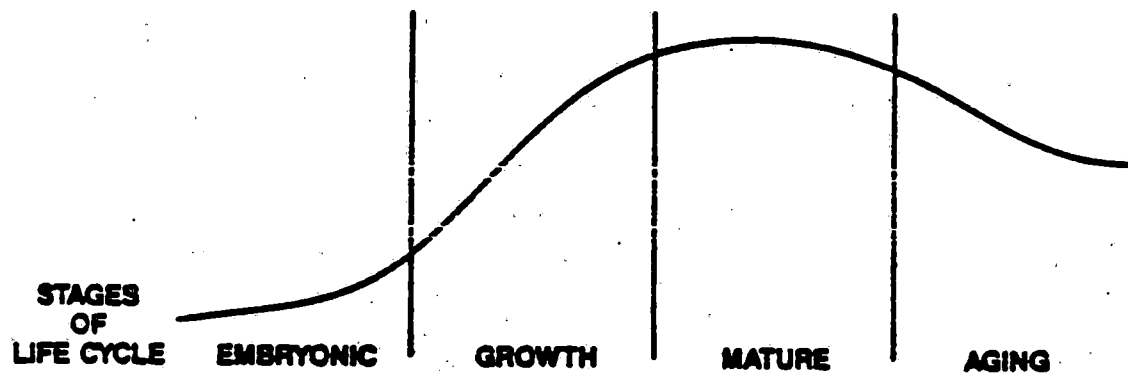
This matrix may be used to analyze individual business units, major product lines, or major market segments. By portraying them as shown in Figure C.1, strategic insights can be gathered and conclusions reached regarding potential business, product, and market directions. The Boston Consulting Group* has been credited with developing this four-box matrix.

LIFE CYCLE ESTIMATE WHERE EACH FACTOR IS IN ITS LIFE CYCLE

D. LIFE-CYCLE CONCEPT

The practical and creative approach known as the life-cycle concept is illustrated in Figure D.1.

Figure D.1. Life-Cycle Concept.



*See *Portfolio Planning: Uses and Limits* by R. Haspelagh, Boston Consulting Group, Boston, Mass.: 1982.

A DOZEN PRINCIPLES FOR PLANNING IN NONPROFIT ORGANIZATIONS

1. THE PLANNING PROCESS SHOULD ITSELF BE PLANNED
2. RELEVANT PLANNING INVOLVES FACT FINDING AND ANALYSIS
3. CORPORATE PLANNING IS A CONTINUOUS PROCESS
4. CORPORATE PLANNING IS THE PRIMARY RESPONSIBILITY OF MANAGEMENT
5. CORPORATE PLANNING IS MORE THAN A STAFF PROCESS AND SHOULD INVOLVE BOARD AND COMMITTEE MEMBERS AT CRITICAL POINTS
6. GROUPS/INDIVIDUALS WHO WILL BE DIRECTLY AFFECTED BY PLANNING DECISIONS SHOULD HAVE AN OPPORTUNITY TO INFLUENCE THOSE DECISIONS AT APPROPRIATE PLAN PROCESS POINTS

7. THOSE WHO ARE ACCOUNTABLE FOR IMPLEMENTATION SHOULD BE INVOLVED IN THE PLANNING
8. BASIC TO ALL PLANNING IS THE DEVELOPMENT OF MEASURABLE OBJECTIVES WHICH CONTRIBUTE TO ORGANIZATIONAL ACHIEVEMENT
9. THE PLANNING PROCESS SHOULD ACCOUNT FOR FLEXIBILITY AND ADAPTABILITY IN ORDER TO MEET NEW CONDITIONS
10. PLANNING MUST BE WELL COORDINATED
11. PLANNING IS REAL WHEN PERFORMANCE REVIEW, BASED UPON SPECIFIC ACCOUNTABILITIES IS INTEGRAL TO THE PROCESS
12. LONG RANGE PLANS SHOULD BE REVIEWED AND CHANGED AT LEAST ANNUALLY.

E X T R A : THE PROCESS SHOULD BE KEPT SIMPLE

- MANAGING FOR IMPACT IN NONPROFIT ORGANIZATIONS -

JAMES M. HARDY, 1984

Exhibit I

Sample Commission for Staff Planning Group

The staff planning group is a resource to assist the chief executive in corporate planning. The group is composed of from five to nine members and meets on call of either the chairperson or the chief executive. The staff planning group's fundamental purpose is the coordination and integration of the corporate planning effort. Its specific responsibilities are:

1. To assist the chief executive in developing a corporate planning process for the organization.
2. To provide implementive support for the corporate planning process in order to assure uniformity in the development of plans.
3. To support implementation and to coordinate the total corporate planning process.
4. To gather and analyze internal and external data concerning the present and future of the organization for use in developing corporate goals.
5. To conduct specific studies that are needed for planning purposes at the request of the chief executive.
6. To review initial unit objectives and to ensure technical correctness. To evaluate initial objectives of all operating units in terms of identifying major problems, gaps, omissions, inconsistencies and conflicts.
7. To maintain linkage with and utilize, as needed, outside planning resources and consultants.

Exhibit II
Process for Establishing Corporate Goals

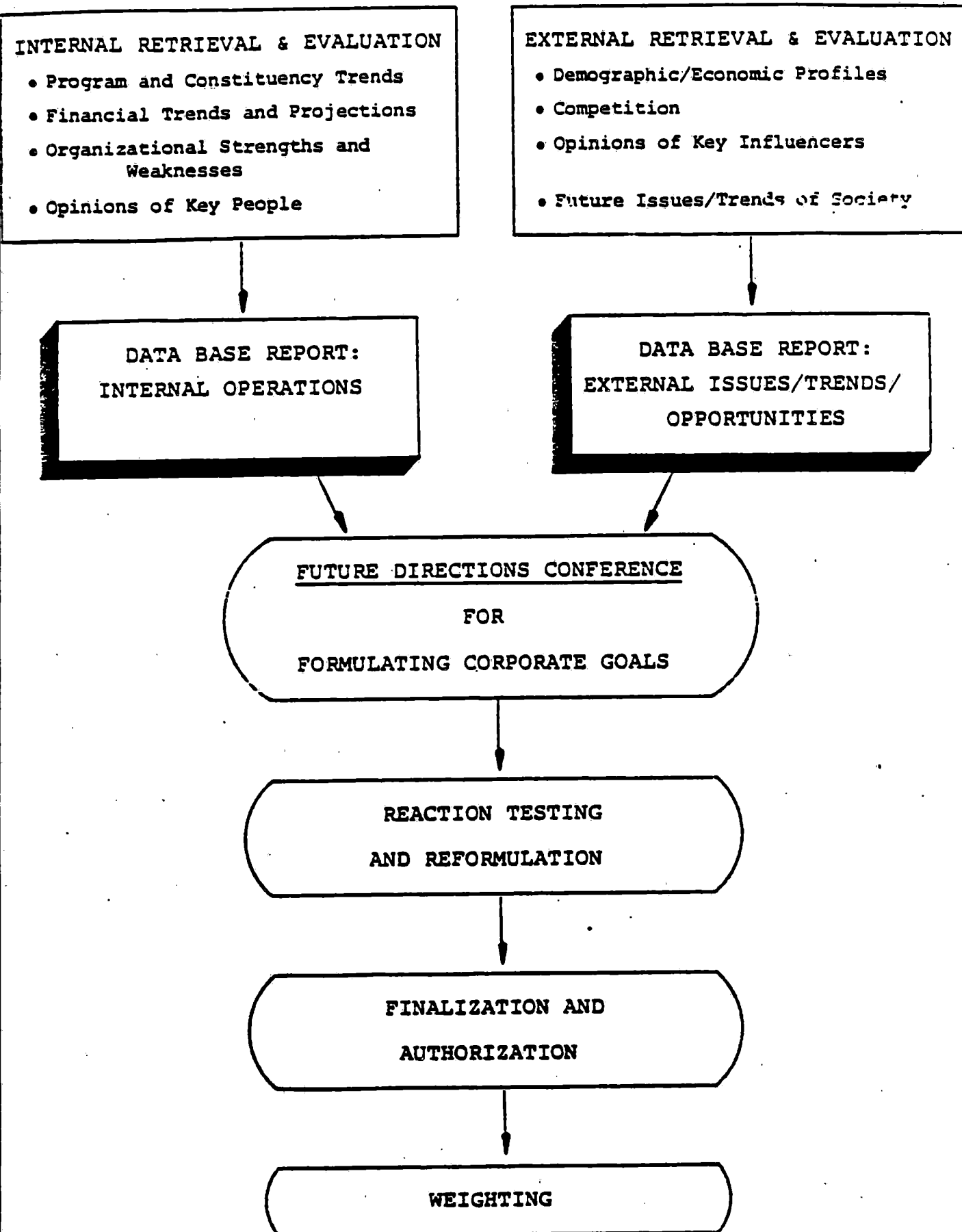


Exhibit III
Selected Operating Ratios for Nonprofit Organizations

I. CONSTITUENCY (clients, members, consumers, etc.)

1. Total constituents during year per 1000 population
2. Constituents by age, sex, race, etc. as % of total constituency
3. Number of constituents per professional staff person
4. Constituent loss during year as % of total constituency (turnover)

II. PROGRAMS AND SERVICES

5. Attendance (contacts) per constituent
6. Number of meetings, events or services performed per professional staff member
7. Type of program activity (groups, individual services, etc.) as % of total program activity
8. Cases handled per professional staff member
9. Number of campers (or particular program participants) per counselor (group leader)

III. VOLUNTEERS

10. Board member attendance at board meetings as % of potential attendance (number of meetings X number of board members)
11. Executive committee attendance at executive committee meetings as % of potential attendance
12. Board members by age, sex, race, etc. as % of total board membership
13. Number of direct program volunteers as % of total number of volunteers
14. Number of volunteers per professional staff member

IV. STAFF

15. Number of part-time staff as a % of total staff
16. Earned income per professional staff member
17. Number of staff departures during year as % of total staff (turnover)

V. FINANCE

18. Income (and expense) per constituent
19. Constituent income as % of total income
20. United Way income as % of total income
21. Contributions (and/or grant) income as % of total income
22. Endowment earnings as % of total income
23. Payroll and benefits as % of total expenditures
24. Supporting service expenditures as % of total expenditures
25. Property maintenance expenditures as % of total expenditures
26. Capital debt as % of capital assets

STRENGTHS/WEAKNESSES CHART

STRENGTHS

WEAKNESSES

HUMAN RESOURCES DEVELOPMENT: RECRUITING, TRAINING, DEVELOPING,
RECOGNIZING

PROGRAM INNOVATION: DESIGNING AND OFFERING NEW PROGRAMS/REPLACING OLD

FINANCIAL AND BUSINESS MANAGEMENT: BUDGETING AND ACCOUNTING, PROPERTY
MAINTENANCE, PURCHASING, INSURANCE, ETC.

FINANCIAL DEVELOPMENT: OPERATING AND CAPITAL RESOURCES, FUNDING
EXPERIENCE, AND ENDOWMENT

PLANNING: HOW DISCIPLINED HAVE WE BEEN ?

ORGANIZATIONAL STRUCTURE: POLICY-MAKING, GOVERNANCE, STAFFING

STRENGTHS

WEAKNESSES

TECHNOLOGICAL APPLICATION: USE OF ALL TECHNOLOGIES

COLLABORATION: WORKING WITH OTHER PROFIT/NONPROFITS, NATIONAL ORGANIZATIONS, ETC.

PUBLIC AND MEDIA RELATIONS: INCREASING UNDERSTANDING OF MISSION, PRIORITIES, GOALS, PROGRAMS

Exhibit V Population Profile

SOURCES: CENSUS TRACTS, BOARD OF EDUCATION, CITY/COUNTY
PLANNING AGENCIES, UTILITY COMPANIES

POPULATION CATEGORIES	COMMUNITY (LAST CENSUS)	COMMUNITY CURRENT	PERCENT INCREASE (DECREASE)	COMMUNITY PROJECTION (5 YEARS)	PERCENT INCREASE (DECREASE)
A. AGE AND SEX					
<i>Males</i>					
65 and over					
50 - 64					
35 - 49					
18 - 34					
12 - 17					
6 - 11					
Under 6					
<i>Females</i>					
65 and over					
50 - 64					
35 - 49					
18 - 34					
12 - 17					
6 - 11					
Under 6					
B. RACE					
White					
Black					
Hispanic					
C. OCCUPATIONAL STATUS					
Professional/ Technical					
Management					
White Collar					
Blue Collar					
Unemployed					
D. FAMILY INCOME (per year)					
Under \$4,999					
\$5,000 to \$9,999					
\$10,000 and over					

Exhibit VI
Sample Interview Schedule

NAME AND POSITION OF INTERVIEWEE: _____

INTERVIEWED BY: _____ DATE: _____

PURPOSE OF THE INTERVIEW:

"Our organization is embarking on a five year corporate planning program and as a first step we are interviewing several influential leaders who are concerned and knowledgeable about our community and its future. The information which we obtain through these interviews will be used in formulating the five year goals of our organization. The results of these interviews will be used for planning purposes only. You will not be quoted publicly as an individual and we hope you will be perfectly candid and frank in your responses."

1. In your opinion, what are the major problems facing this community at the present time?
Probe: Particular areas of expertise and organization interest.

2. What do you think will be the major problems facing this community in the next five years?

3. Recognizing that you may or may not have extensive knowledge of our organization, we are interested in your image of us. How do you see our organization?

4. In your opinion, what is the optimal potential of our organization in relation to the problems which you have named? What are some goals our organization might be working toward achieving by _____ (end of five year period)?

CLOSING:

Express appreciation and assure the person that all of his/her insights and suggestions will be given serious consideration and used, although no guarantee can be made that all suggestions will be implemented. Commit yourself to sending the person a copy of the organization's corporate goals

KENICHI OHMAE SAYS...

SUCCESSFUL STRATEGY DEVELOPMENT, IN THE MAIN, DOES NOT RESULT FROM RIGOROUS ANALYSIS, BUT RATHER FROM CREATIVE, IMAGINATIVE, AND INTUITIVE THOUGHT PROCESSES.

STRATEGIES DO NOT REJECT ANALYSIS. INDEED, THEY CAN HARDLY DO WITHOUT IT.

BUT THEY USE IT ONLY TO STIMULATE THE CREATIVE PROCESS, TO TEST THE IDEAS THAT EMERGE, TO WORK OUT STRATEGIC IMPLICATIONS OR TO ENSURE SUCCESSFUL EXECUTIVE OF HIGH-POTENTIAL 'WILD' IDEAS THAT MIGHT OTHERWISE NEVER BE IMPLEMENTED PROPERLY.

GREAT STRATEGIES, LIKE GREAT WORKS OF ART OR SCIENCE CALL FOR TECHNICAL MASTERY IN THE WORKING OUT BUT ORIGINATE IN INSIGHTS THAT ARE BEYOND THE REACH OF CONSCIOUS ANALYSIS.

CHARACTERISTICS OF GOOD PLANNING TEAMS

CONCEPTUAL THINKING: TO DEAL WITH ABSTRACTS AND SEE
RELATIONSHIPS

HOLISTIC VIEWPOINT: TO SEE THE WHOLE BEYOND THE PARTS TO
FORM AN ENTITY OUT OF PARTS

CONCERN FOR THE FUTURE: TO SEE POTENTIAL AND CHANGE TO
ACCESS IT

EXPRESSIVENESS: TO TURN ABSTRACTS INTO CLEAR STATEMENTS

TOLERANCE OF AMBIGUITY: TO GO WHERE NONE HAVE GONE BEFORE...

STEWARDSHIP: INCLINATION TO FOREGO THE SHORT-TERM FOR THE
LONG-TERM WELFARE OF THE ORGANIZATION

COMMITMENT: WILLINGNESS TO WORK

STATURE: HELD WITH RESPECT AND REGARD

Exhibit I

Management Skills Inventory for the Future

Instructions: The purpose of this inventory is to provide a stimulus for self examination and for improvement of managerial skills for the future. It is not a test. It is for your use. Please rate your skills on each item, as you perceive them, by making a check (✓) in the appropriate column. Space is provided at the end of the inventory for you to enter other skills that you think will be important in the future.

<u>MANAGEMENT SKILLS</u>	<u>LOW</u>	<u>MEDIUM</u>	<u>HIGH</u>
1. <u>VISIONING</u> - imaging what could be; identifying future needs opportunities and potentials that could be actualized.	_____	_____	_____
2. <u>PLANNING</u> - developing and implementing comprehensive, long range planning processes that are on-going, flexible and relevant to the particular needs of your organization.	_____	_____	_____
3. <u>SYNTHESIZING INFORMATION</u> - bringing together large amounts of information and data inputs and being able to see relationships and derive meaning; utilizing appropriate information processing technologies.	_____	_____	_____
4. <u>DEVELOPING STRATEGIES</u> - developing and implementing imaginative, long term strategies to provide resources necessary for goal achievement.	_____	_____	_____
5. <u>PROCESS LEADERSHIP</u> - conceptualizing and implementing processes that meaningfully involve people and result in agreements and organizational cohesion.	_____	_____	_____
6. <u>DESIGNING FLEXIBLE STRUCTURES</u> - designing and implementing flexible and adaptable organization structures which use appropriate forms of matrix management in order for the organization's best resources to be applied to the achievement of goals and objectives.	_____	_____	_____
7. <u>MAKING DECISIONS</u> - arriving at logical and timely conclusions and sticking with them; recognizing that data and analysis are important, but that a time comes to defer research and make the decision.	_____	_____	_____
8. <u>DEVELOPING THE BOARD</u> - working effectively with the board by keeping members informed; assisting them in making policy and planning decisions, monitoring performance and fulfilling their legal responsibilities and fiduciary duties; developing boards in terms of composition, orientation and training.	_____	_____	_____
9. <u>UTILIZING VOLUNTEERS</u> - recruiting, orienting, training and fully utilizing volunteers - both committee and direct service volunteers.	_____	_____	_____

Exhibit I (Continued)

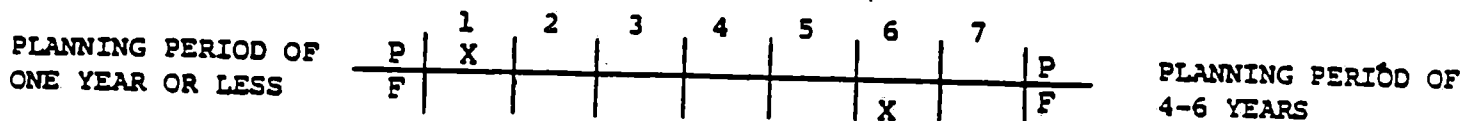
<u>MANAGEMENT SKILLS</u>		<u>LOW</u>	<u>MEDIUM</u>	<u>HIGH</u>
21.	<u>DEVELOPING YOURSELF</u> - taking responsibility for your own professional growth, development and learning; keeping up-to-date on the latest managerial insights and techniques.	_____	_____	_____
22.	<u>BUILDING INTERPERSONAL EFFECTIVENESS</u> - establishing meaningful and effective relationships with others that are characterized by authenticity, openness and trust; understanding of self and the impact of your behavior on others.	_____	_____	_____
23.	<u>USING TIME EFFECTIVELY</u> - accomplishing the important, even though difficult, instead of the urgent or easy tasks; doing things right the first time; being able to obtain a full 60 minutes out of an hour.	_____	_____	_____
24.	<u>PACING YOUR ENERGY EXPENDITURES</u> - conserving and expanding your energy level; effectively coping with and reducing stress; maintaining total fitness.	_____	_____	_____
25.	<u>RISK-TAKING</u> - trying the untried; encouraging experimentation and search for better ways; taking responsibility, or at least finding ways to share responsibility, when new ventures fail. exhibiting "intelligent courage".	_____	_____	_____
26.	<u>EXHIBITING ETHICAL SENSITIVITY</u> - maintaining inner integrity; identifying the moral and ethical considerations in decisions and acting accordingly.	_____	_____	_____
27.	<u>HAVING FUN</u> - maintaining a sense of humor and optimism; not taking oneself too seriously.	_____	_____	_____
28.	_____	_____	_____	_____
29.	_____	_____	_____	_____
30.	_____	_____	_____	_____

Finally ... Review your completed inventory. Circle the number of those Management Skills that you want to concentrate on improving during the coming year. Of those circled, place an asterisk (*) by the two that are most important to you.

Planning Evaluation

Instructions:

This form is designed to provide a quantitative description and evaluation of your organization's planning system, both long range and short range. The form requires that you describe your organization's planning as you see it at the present (P-line) and how you think it *should be in the future* (F-line). Each item contains two brief statements which represent the ends of a continuum. Indicate your description of where you think your organization is on the continuum at the present time by placing an X in the appropriate box (1 to 7) on the "P" line. Similarly, indicate where you think your organization should be in the future by placing an X in the appropriate box on the "F" line. For example, if you are describing the planning period which your organization uses and it is one year at present, you would place a mark in the "1" box of the "P" line as shown below. If you thought the planning period should be longer in the future, you would place a mark nearer the longer period of the "F" line as shown below.



Keep In Mind:

1. This form is intended for you to describe your total organization's planning. Please do not mark the scales to describe only your own area of responsibility or special interest; take a total organization perspective.
2. The form is intended to reflect your initial reactions to the descriptive scales. There is no need to dwell on each scale. Your first reaction will be most valid.
3. Please mark all scales even if you feel you do not have sufficient information to mark some items. Include "Remarks" under each scale if you desire. Disregard the scoring boxes at the bottom of each page. You will be given scoring instructions when you have completed the entire Planning Evaluation.

Definitions (for use in completing the scales):

1. Corporate Goals

A description of the desired future that is possible and that provides definitive direction for the total organization. Usual time span is 4-6 years.

2. Strategy Development

Creating the long term plans for generating and allocating the resources needed to achieve the organization's corporate goals.

3. Objectives

Specifically, measurable statements of attainable outcomes within the framework of corporate goals. Developed by operating units. Usual time span is one year.

4. Action Steps

Specific work segments or activities necessary for the achievement of objectives. Usual time span in 1-12 months.

I.

PLANNING STRUCTURE

1.

No clear statement of mission, purpose or reason for existence of the organization.

Remarks:

	1	2	3	4	5	6	7	
P								P
F								F

Clear, concise statement of organization's mission or purpose; understood and accepted by board and staff.

2.

No identifiable "plan for planning" (i.e. how planning will be accomplished and implemented in the organization).

Remarks:

	1	2	3	4	5	6	7	
P								P
F								F

Comprehensive, well conceptualized "plan for planning"; approved by board and understood by staff.

3.

Chief executive officer devotes 5% or less of his/her time to planning.

Remarks:

	1	2	3	4	5	6	7	
P								P
F								F

Chief executive officer devotes at least 25% of his/her time to planning.

4.

No board structure or organized opportunity for board involvement in planning.

Remarks:

	1	2	3	4	5	6	7	
P								P
F								F

Formally organized board planning structure. Periodic presentations to board for both assessment & action.

PRESENT SCORE

FUTURE SCORE

II.

CORPORATE GOALS

No long range (4-6 year) corporate goals that give direction to total organization.

Remarks:

	1	2	3	4	5	6	7	
P								P
F								F

Clear long range corporate goals that provide definitive direction for total organization.

Responsibility for formulating corporate goals is either diffused or nonexistent in the organization.

Remarks:

	1	2	3	4	5	6	7	
P								P
F								F

The chief executive officer is responsible for directing the process that results in the formulation of corporate goals. Board responsible for final approval.

Corporate goals based on highly subjective data from a few individuals.

Remarks:

	1	2	3	4	5	6	7	
P								P
F								F

Corporate goals based on demographic analysis of the service area, implications of future societal issues and trends, opinions of key individuals in service area, & systematic evaluation and analysis of existing operations and capabilities.

"Ownership" of corporate goals limited to a few individuals.

Remarks:

	1	2	3	4	5	6	7	
P								P
F								F

Broad "ownership" of corporate goals, including board members, staff and key community leaders & influencers

III.

STRATEGY DEVELOPMENT

1.

No identification of areas requiring strategy development for the total organization.

Remarks:

	1	2	3	4	5	6	7	
P								P
F								F

Chief executive & chief volunteer officers identify critical areas requiring long term strategy development that is necessary to achieve corporate goals.

2.

Strategy development is either not done or it is done informally & diffused throughout the organization.

Remarks:

	1	2	3	4	5	6	7	
P								P
F								F

Strategy development is done by a specially appointed, high level strategy committee of the board, working with the chief executive officer.

3.

No long term financial development strategy for the total organization.

Remarks:

	1	2	3	4	5	6	7	
P								P
F								F

Comprehensive long term financial development strategy to produce required dollars to achieve corporate goals has been approved by board & is being implemented.

Strategy development is short term, covering one year or less.

Remarks:

	1	2	3	4	5	6	7	
P								P
F								F

Strategy development is long term; covering 4-6 years or corporate goal period.

PRESENT SCORE

FUTURE SCORE

IV.

UNIT OBJECTIVES

Annual objectives and action steps are not set by operating units of the organization.

	1	2	3	4	5	6	7	
P								P
F								F

marks:

Each operating unit sets annual objectives and action steps for achieving objectives. Objectives are designed to move the organization toward achieving its corporate goals.

Objectives are broad, generalized statements. There is little or no specification of accountability for achievement.

	1	2	3	4	5	6	7	
P								P
F								F

marks:

Objectives are specific, statements of intent, with specified results that are either quantifiable or observable. Accountability for achievement is clear.

Evaluation of existing program, services and activities in relationship to corporate goals.

	1	2	3	4	5	6	7	
P								P
F								F

marks:

All programs, services and activities are evaluated in relationship to corporate goals. Programs are dropped, modified or expanded based on the results.

Widespread involvement of those affected (members, clients, community residents, etc.) in setting objectives.

	1	2	3	4	5	6	7	
P								P
F								F

marks:

Broad-based involvement of those affected by objectives (members, clients, community residents, etc.) in providing opinions, judgements, & ideas for setting objectives.

PRESENT SCORE

FUTURE SCORE

V.

INTEGRATION OF PLANNING

1.

Each operating unit does its planning independent of other operating units.

Remarks:

	1	2	3	4	5	6	7	
P								P
F								F

Methods are used for integrating the tentative plans of all operating units into a comprehensive plan for the total organization.

2.

No analysis is made of the objectives of all operating units in relationship to corporate goals.

Remarks:

	1	2	3	4	5	6	7	
P								P
F								F

Objectives of all operating units are analyzed in order to eliminate duplications, fill gaps and ensure maximum impact on corporate goals.

3.

Operating units are expected to supply all resources for achieving their objectives.

Remarks:

	1	2	3	4	5	6	7	
P								P
F								F

Mechanisms are available for negotiating use of the best resources in the organization to achieve objectives, regardless of where resources are located.

4.

Objectives of units are not shared with all other units.

Remarks:

	1	2	3	4	5	6	7	
P								P
F								F

Objectives of all units are integrated and shared on a standardized form with all other units. All collaborations are specified and agreed to.

PRESENT SCORE

FUTURE SCORE

VI.
BUDGETING

Budgeting process is un-
ated to the planning
cess.

Remarks:

	1	2	3	4	5	6	7	
P								P
F								F

Budgeting process is an
integral part of the total
planning process.

Unit budgets are developed
: "line items" (telephone,
stage, etc.) and based on
ast history.

Remarks:

	1	2	3	4	5	6	7	
P								P
F								F

Budgets are developed on the
basis of resources needed to
achieve objectives and within
the administrative guidelines
for the total organization.

Budgeting system is complex,
ghly detailed and re-
rictive.

Remarks:

	1	2	3	4	5	6	7	
P								P
F								F

Budgeting system is relative-
ly simple, flexible and al-
lows room for decision making
within operating units.

Budgeting process is highly
imited. Provides for ac-
cumulating estimated costs
in only one way.

Remarks:

	1	2	3	4	5	6	7	
P								P
F								F

Budgeting process provides
capability for accumulating
estimated program costs in
various ways, as needed by
the organization.

PRESENT SCORE

FUTURE SCORE

VII.

ASSESSING PERFORMANCE

1.

Casual, subjective appraisals of individuals are made based primarily on personal characteristics and traits.

Remarks:

	1	2	3	4	5	6	7	
P								P
F								F

Systematic individual appraisals are made based on the achievement of objectives and the production of results.

2.

Performance appraisals are limited to the performance of individual staff persons.

Remarks:

	1	2	3	4	5	6	7	
P								P
F								F

Performance appraisals include appraisal of performance of all staff persons and also appraisal of performance of each operating unit.

3.

Performance appraisal is done on an annual basis.

Remarks:

	1	2	3	4	5	6	7	
P								P
F								F

Performance appraisal is an on-going process with periodic work planning & review sessions and year-end performance review & appraisal sessions.

4.

Annual review and up-date of organization's planning is conducted.

Remarks:

	1	2	3	4	5	6	7	
P								P
F								F

Systematic annual review & up-date of corporate goals and planning system is conducted, based on actual performance and internal & external changes. Appropriate corrective actions are taken.

PRESENT SCORE

FUTURE SCORE

APPENDIX

COMMUNITY HEALTH CENTER
SUMMARY OF SITUATION ANALYSIS

HISTORY

1. Center began as a Model Cities program - lots of money. Mission was to provide health services to the community.
2. Primary funding shifted to other services (UHI, MA State grants, fees). Mission changed to raising the health status of the community - more emphasis on preventive health care. Became tied more closely to the City's Health Department.
3. Now engaged in negotiations with the City to become a free-standing nonprofit organization.

THEMES

1. Serve the community
2. Shape mission and services to fit funding

Comment: These two themes could conflict

VALUES

1. We are "the community's health center": responsive to needs, Board and staff are representative of community.
2. Quality services

COMMENTS AND QUESTIONS ABOUT THE CENTER'S MISSION

1. The Center's general statement of mission has changed over the years:
 - From providing health services to the community to
 - Raising the health status of the community to
 - Present "Statement of Mission and Goals"
2. The present "Statement of Mission and Goals" may not be a good statement for the future - too long and too focused on activities (vs. results).
3. To what extent should funding concerns influence the Center's mission?
4. Who should the Center's target population be?
 - Present clientele (mainly low income)
 - Whoever lives in the community (include middle and upper income)
 - Other: focus on women and their children
5. Should the Center broaden its geographical service area? If so, what should that area be?
6. Should the Center's mission be stated in terms that are achievable?

Votes
n=14

- 3 13. The Center lacks support from the medical and dental community. (T)
- 1 14. The Center needs to be able to shift its services to meet epidemic shifts (e.g. AIDS, herpes, etc.). (O/T)
- 1 15. The Center could tailor its services to the needs of the minority populations it serves. (O)
- 1 16. The Center could conduct continuing education events for health care professionals. (O)
- 1 17. With growing depersonalization in the health care field, the Center can provide personalized care -- e.g. people are able to get the same doctor here. (O)
- 1 18. The Center needs more funders as allies. (O)
- 1 19. There is potential for increased/new money from the city and county -- similar to funds received for other community clinics. (O)

STRENGTHS AND WEAKNESSES

Strengths		Weaknesses	
Votes n=14		Votes n=14	
11	1. Strong director	12	1. Image: "free clinic"
10	2. Support of the people served	10	2. Unstable funding -- reliance on federal dollars that may not be there in the future
10	3. Good political support (mayor, council, etc.)	8	3. Lack of a plan for the future
10	4. Length of service in the community -- range of services, responsive, how service is delivered	7	4. Inadequate facility: not enough space, appearance, distractions, lights, etc.
9	5. Key staff	7	5. More promotion and marketing needs to be done.
6	6. Board represents a good mixture or cross-section of people	7	6. City control: personnel issues, contracts, political risks
5	7. We have "a franchise" to serve our area	6	7. Staff shortage; Only 1 doctor --discontinuity of medical care, clerical turnover
5	8. Some funding sources are stable	6	8. Collection of patient revenues
4	9. Dedication and creativity of staff and board	5	9. Relative newness of the Board as a governing body -- complexity of the issues
4	10. Good medical people on staff and board	5	10. Location
4	11. Some staff have a lot of potential to be developed	5	11. Name
3	12. Good Board chair	4	12. Lack a good management information system
2	13. Location -- been there a long time	3	13. Hours of services -- no night hours (have some now)
		2	14. Staff development, training and motivation

CRITICAL ISSUES FOR THE FUTURE

Votes
n=14

10 1. Community Support

- How can the Center develop and maintain support from:
 - Neighborhood
 - Political and funding communities
 - Medical community

10 2. Mission and Target Population

- Should the Center expand its services to middle and upper income people? If so, how will they be attracted?
- Should our geographic service area be expanded?

7 3. Staff

- How can the Center maintain a skilled, stable medical staff?

5 4. Board

- What kind of Board will be needed in the future?
- What will be the Board's role (vs staff's role) in leading the agency?

5 5. Funding

- How can the Center move from position of financial dependence to independence?

- 6. Image

- What is the image that the Center wishes to convey to the community? How will it be conveyed? (eg. name, facility, etc.)

- 7. Facility

- Should the Center move out of its present facility to its own building? If so, where should the building be located? How should it be financed?

COMMUNITY HEALTH CENTER
THREE YEAR PLAN

MISSION AND STRATEGY

The mission of Community Health Center is to improve the health status of residents in the community. Over the next three years the Center will provide affordable primary medical, dental and related services to community residents, with particular emphasis on serving the most in need.

Over the next three years the Center will expand and improve its health services. The Center will also expand its services to a broader segment of the community. More middle and upper income residents will use the Center's improved services. A new child development program will be operated in the Center's new building by either the Center or another agency. The total number of people served by the Center will increase from 4,800 this year to over 6,700 in year 3.

In year 1 the Center will move to a new facility developed to fit its needs, and will also provide services in several outreach locations.

The staff of the Center will be increased to provide those services, from 14.7 present full-time equivalents to 32.8 in year 3.

Center services will be financed through a broadened base of support. The Center will continue to request Federal, State and City grants, and will also request support from the County. Foundation grants will be used to fund the costs of moving into the new center and start-up costs of the child development program. Payments from patient fees, MA, insurance, Medicare and HMO payments will also increase with the Center's expanded target population and association with at least two major hospitals.

The Center's internal operations and Board of Directors will also be strengthened. The Center will have a strong management information system that has accounts receivable, accounts payable and statistical analysis capability.

In addition, the Center will strengthen its relationships with area hospitals, other community clinics and human service providers.

SERVICE PLANS 1

A. Service Description

<u>Services</u>	<u>Description</u>	<u>Target Group</u>	
		<u>Most in need</u>	<u>Other</u>
1. Basic health care		70%	30%
a. Primary care	Internal medicine Family practice Pediatrics OB/gyn		
b. Other health services	Podiatry Ophthalmology Surgery Lab, x-ray		
c. Dental	Dental care		
d. Pharmacy	Prescriptions		
2. Related Services			
a. Health education	Screenings Classes: smoking, weight loss, exercise, etc. Health fairs, presentations	50%	50%
b. Transportation	Transportation to and from clinic	100%	0%
c. Child development/day care ²	Day care with child development emphasis	45%	55%

8. Levels of Service

Services	Units of Service	Projected Service Levels			
		Base Year	Year 1	Year 2	Year 3
1. Basic Health Care					
a/b. Primary care and other health services	People served	4,300	4,485	5,085	5,890
	Visits	16,000	18,040	22,430	25,960
c. Dental	People served	500	550	800	800
	Visits	1,000	1,500	2,900	3,000
d. Pharmacy	Prescriptions	12,000	13,200	14,520	15,972
2. Related Services					
a. Health education (medical and dental)	People served	1,596	1,750	4,000	4,400
	Events	20	30	50	50
b. Transportation	Patient trips	3,840	4,800	6,000	6,500
c. Child development/day care	Children served	0	0	40	40
	Capacity	0	0	30	30

1 See Appendix A for program assumptions

2 A feasibility study will show whether the child development center should be operated by the Center or another organization.

Administration:	Full-time equivalents			
	Base Year	Year 1	Year 2	Year 3
Director	1.0	1.0	1.0	1.0
Financial manager	1.0	1.0	1.0	1.0
Grants manager	-	1.0	1.0	1.0
Office manager	1.0	1.0	1.0	1.0
Billing clerk	1.0	1.0	1.0	1.0
Receptionist	1.0	1.0	1.0	1.0
Patient information specialist	1.0	1.0	1.0	1.0
Office accountant	-	-	1.0	1.0
Clerical assistant	-	-	1.0	1.0
Total administrative staff	6.0	7.0	9.0	9.0
Total staff	15.00	21.45	31.55	42.80

-
- ¹Start date July, Year 1
 - ²From County Medical Center
 - ³Includes Clinic Coordinator
 - ⁴From County Medical Center
 - ⁵From the Army Reserve

FINANCIAL PLANS 1

	<u>Base Year</u>	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>
A. Operating Budget				
<u>Revenue:</u>				
Federal grants (UHI)	\$ 298,500	\$ 305,000	\$ 305,000	\$ 305,000
State grants (Family planning, sexual assault, etc.)	17,307	93,061	98,061	25,000
City	78,532	78,532	78,532	78,532
County grant	-0-	62,024	62,024	62,024
Private foundation/corporation grants	10,542	30,000	40,000	30,000
United Way/Federated campaign	-0-	-0-	25,000	25,000
Health Education program income	-0-	500	2,000	5,000
Patient fees (Medical, Dental, Pharmacy)				
- sliding fee scale	35,947	97,360	148,232	206,764
- personal insurance	3,503	7,800	10,800	13,440
- Medical Assistance	101,246	108,160	140,250	152,640
- Medicare	4,849	10,920	15,750	22,400
- HMO's	5,000	7,852	12,060	24,320
- job voucher	3,000	5,600	-0-	-0-
Pharmacy	19,174	21,120	27,450	27,731
Contributions from Churches	-0-	30,000	10,000	-0-
Early Child Development project	-0-	-0-	96,980	104,000
Contributions for individuals	-0-	8,000	10,000	10,000
Miscellaneous income	3,990	8,100	9,000	9,500
Total Revenue	\$ 581,590	\$ 874,029	\$1,091,145	\$1,121,351

¹See Appendix A for financial assumptions

FACILITY PLANS

In year 1 the Center will move into a four-story building at the corner of _____ and _____. The space will be built to the Center's specifications by a private developer. The first floor of the facility will be clinic space, and the second floor will be offices. The ground floor will house a child development center operated by either the Center or another agency. The top floor will be leased by the developer to other organizations with complementary programs (e.g. mental health, services for women and children, financial counseling, etc.).

Each of the floors leased by the Center is 4,000 square feet; 12,000 square feet will be needed with the child development center or 8,000 square feet without it.

Most of the Center's services will be provided at the _____ location, but the Center will also provide outreach services at such locations as _____ Community Center, _____ Center, _____ and _____.

The developer will finance the development and construction of the building. Leasehold improvements of clinic space will also be financed by the developer unless the Center wishes to raise money to cover those costs. The Center's rent will be no more than \$8.00 per square foot (or \$96,000 per year for 12,000 square feet) with a 3-5 year lease. If the Center chooses to raise money for leasehold improvements (approximately \$48,000), the developer will reduce rent costs accordingly. The Center will also have an option to buy the facility. Money will be raised in years 1-3 to exercise that option in Year 4.

LINKAGES

Over the next three years the Center will strengthen its relationships with the following groups and organizations:

1. Outreach locations

The Center will provide outreach medical, dental and health education services in several locations: _____ Community Center, _____ Center, _____ and _____ are likely locations.

2. County Medical Center

The County Medical Center will continue to provide hospitalization and speciality care to our patients, as well as in-kind ophthalmologic and nurse midwife services.

3. _____ Hospital

The Hospital will continue to provide hospitalization and speciality care to the Center's patients. Prepayment arrangements will be investigated.

4. Other hospitals/medical facilities

Several other hospitals will also provide hospitalization to the Center's patients. Current providers also include _____ Hospital and _____ Hospital. A dental team from the Army Reserve will continue to provide in-kind services at the Center.

5. Other Community Health Clinics

The Center will undertake several joint programs with other community health clinics, including joint community health education and research projects. In addition, the Center will provide pharmacy services to several clinics.

6. HMO's

The Center will continue to serve as a provider clinic for the _____ and _____ HMO. Reimbursement from at least one additional HMO will be arranged by year 2.

7. On-site services from other organizations

_____ will continue to provide home health services to the Center's patients. _____ will continue to provide counseling services. Several new services (women and children's program, financial counseling) will also be provided by other organizations in the new facility.

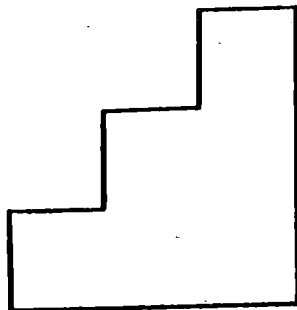
8. The Center will also increase its services to nonprofit (and for-profit) agencies in the provision of services to target populations and employees (e.g., physical examinations, health education, health screenings).

9. The Center will strengthen referral relationships with other service providers who can address the needs of our target population.

10. The Center will strengthen relationships with local affiliates of national health organizations.

IMPLEMENTATION PLANS

<u>Steps</u>	<u>Responsible</u>	<u>By When</u>
1. Determine the feasibility of operating a child development/day care center in the new facility. <ul style="list-style-type: none">● Define questions and issues● Review findings● Outline course of action for the Center	Planning Committee Executive Director	October, This Year
2. Arrange new prepayment arrangements for health services. <ul style="list-style-type: none">● Clarify unit costs and review pricing● Discuss options with several existing and new providers● Select providers● Negotiate contracts	Associate Director	December, This Year
3. Clarify facilities plans. <ul style="list-style-type: none">● Continue negotiations on preferred site● Proceed with plans for back-up site, if needed	Executive Director	December, This Year
4. Continue to improve board functioning. <ul style="list-style-type: none">● Review progress● Clarify responsibilities and composition desired for the future	Executive Committee Nominations Committee Executive Director	January, Year 1
5. Outline and implement development plans for the Center. <ul style="list-style-type: none">● Complete program and overall financial plans● Outline a plan for raising needed monies● Implement plan	Finance Committee Executive Director Assistant Director	January, Year 1
6. Develop marketing plan.	Marketing/Community Relations Committee Executive Director	January, Year 1



Benefits and Concerns

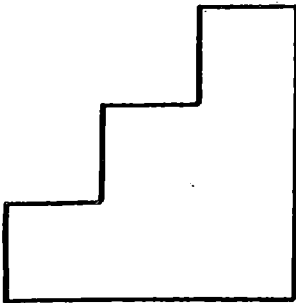
Instructions

- 1) List the benefits you expect from strategic planning as well as any concerns.
- 2) Note possible ways to overcome each of your concerns. Circle the best ideas.
- 3) Decide how you will proceed.

Benefits expected	Concerns	Ways to overcome concerns

DECIDE HOW YOU WILL PROCEED

- Full steam ahead With caution, addressing the concerns above Wait until a better time to begin Stop --don't proceed



Organize the Planning Effort

Instructions

Indicate how each of the following issues will be handled, then outline the steps, responsibilities, and timelines for developing your strategic plan.

1. You are developing a strategic plan for:

- Your total organization
- Only part of your organization (division, program)
- Total organization *and* each major program or division
- Other _____

2. For what period of time are you planning?

- Next 2 years
- Next 3 years
- Next 4 years
- Next 5 years
- Other (specify) _____

3. What critical issues do you hope the planning will address?

4. Time devoted to planning: which approach do you prefer?

- "What we can do in a limited time" approach: under 8 hours of planning meetings
- A compact approach: 10-20 hours of planning meetings
- A more extended approach: 24-40 hours of planning meetings
- Over 40 hours of planning meetings

5. Are you going to use a consultant or other resource persons in developing the plan?

- Yes
- No
- Unsure

If so, what kind of help do you need? (Page 25 has suggestions.)

6. Will you use a planning team?

- Yes
- No
- Unsure

If so, who will be on it? (check as many as apply)

- Board members
- Executive director/CFO
- Other staff
- Others: people in your field, clients or users, funders, etc.
- Consultant

What size team might work best (5-8 people is common)?

7. Are there other people you want to involve?

In the development of the plan?

In the review of the plan?

Worksheet 2 continued

8. Who within your organization will manage the overall planning effort?

9. Who will lead or chair the actual planning meetings?

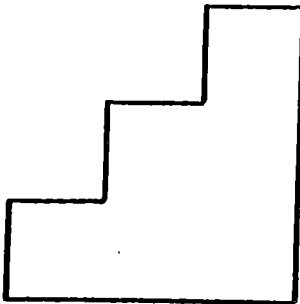
10. By what date do you want to have the plan approved?

11. Outline the steps you will use in developing your plan. After outlining the process review it with the people involved, then make any changes needed.

Steps

Responsible

By when

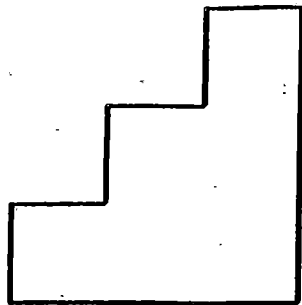


History and Present Situation

Instructions

Review your organization's history and present situation. List any historical issues or trends that will need attention as you plan for the future.

[A large empty rectangular box for writing the response.]



Questions about Mission

Instructions

- 1) Describe below what you understand your organization's mission or purpose to be.
- 2) List any questions, ideas, or concerns you have about your present mission.
- 3) Consider what might be the best mission for your organization in the future. Describe what your organization might accomplish in coming years and who will be served.
- 4) Discuss your responses with the planning team and note areas of agreement and disagreement.

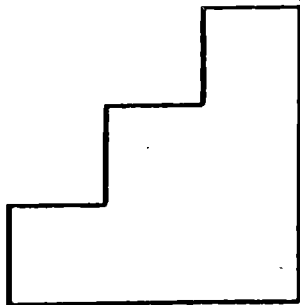
Present mission or purpose

Questions about current mission

Possible changes in mission for the future

What we want to accomplish

Who will be served - target group(s)

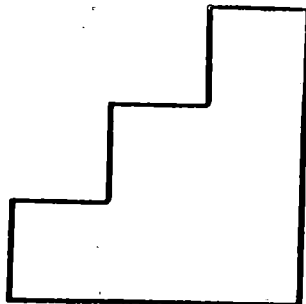


Opportunities and Threats

Instructions

- 1) List the major opportunities (O) and threats (T) that you believe your organization will face in the next 2-5 years that will determine whether it succeeds or fails.
- 2) Worksheets 5a and b may be useful if you wish to do a more detailed analysis of your customers or competition.
- 3) Combine your responses with those of other planning team members, then identify the 4-8 opportunities or threats that are most critical to your organization's future success.

Clients, customers, stakeholders	Competitors and allies	Social, cultural, economic, political, or technological forces



Clients, Customer, and Stakeholder Needs

Instructions

- 1) List the needs of present or potential "customers" that your organization might address. Note ideas for how your organization might meet those needs.
- 2) List the significant groups who have a stake in what you do (for example: funders, contractors, regulators, supporters). Note how you might meet their needs.
- 3) Transfer major opportunities and threats to the "clients, customers, stakeholders" column of Worksheet 5.

Clients, customers, users

Describe existing or possible new target groups

Their needs

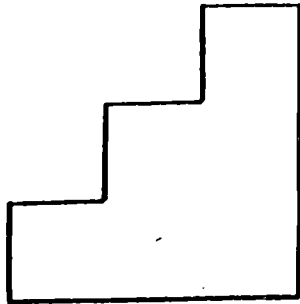
Ways to meet those needs

Other stakeholders

List group or person

Their needs

Ways to meet those needs

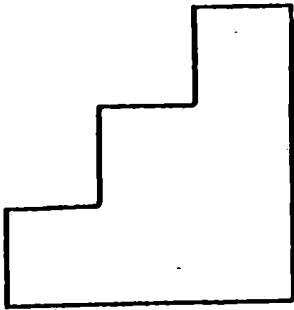


Competitors and Allies

Instructions

- 1) List present and possible new competitors, what you compete for, then note your organization's relative advantages or disadvantages (price, image, quality, etc.).
- 2) List possible allies and how you might team up with each organization, person or group (e.g., joint program, merger, trade association).
- 3) Transfer major opportunities or threats to the "competitors and allies" column of Worksheet 5.

Competitors	Compete for	Your relative advantages	Your relative disadvantages
<p data-bbox="325 540 422 570">Existing</p> <p data-bbox="325 781 390 810">New</p>			
Allies		How might you team up?	



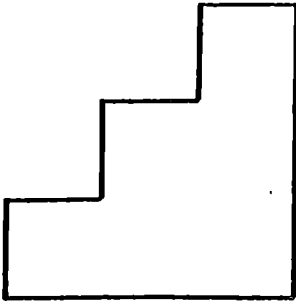
Strengths and Weaknesses

Instructions

- 1) List the major strengths and weaknesses of your organization as it faces the future
- 2) Combine your responses with those of other planning team members. Note which strengths and weaknesses will be most critical to your organization's future success.

Strengths and assets

Weaknesses and liabilities



Critical Issues for the Future

Instructions

- 1) Review worksheets 4, 5 and 6; then list critical issues or choices that your organization faces over the next 2-5 years.
- 2) Combine your responses with those of other planning team members; then identify the 4-8 most critical issues.

A large, empty rectangular box intended for writing responses to the instructions.

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