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الإمارات العربية المتحدة
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مكتب رئاسة مجلس الوزراء

Strategic Planning Manual

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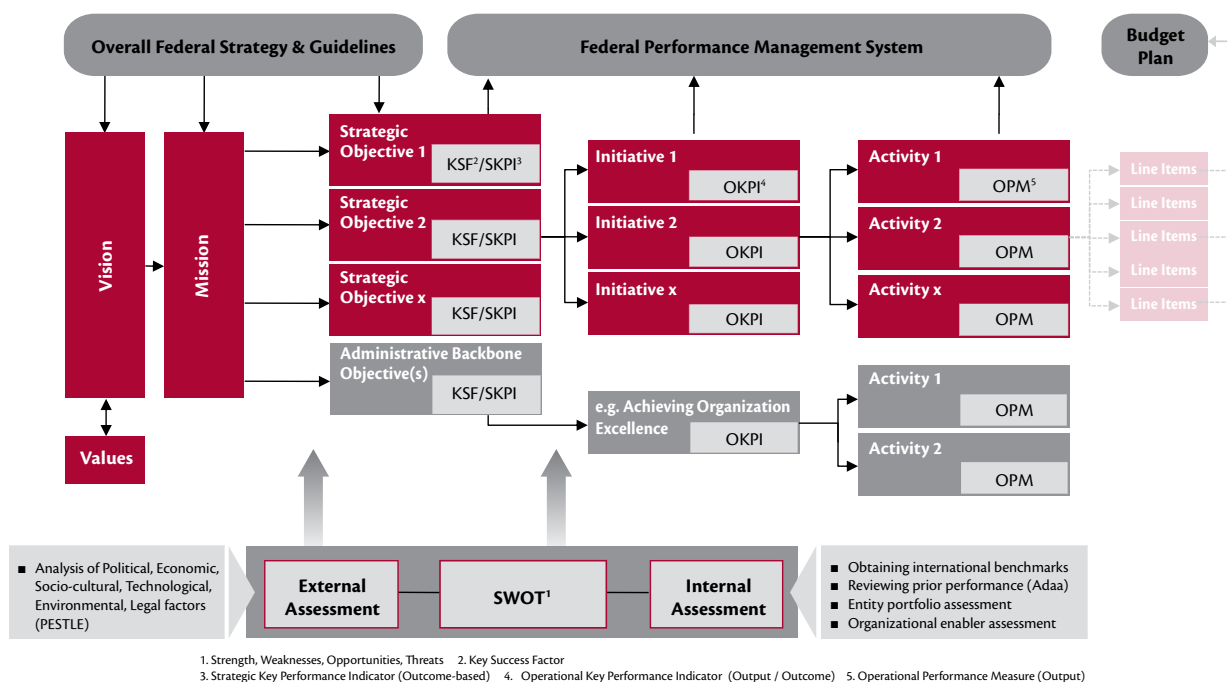
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Introduction

Introducing Strategy

Strategy is the method that an organization chooses to identify to reach its goals. It is essentially a framework providing prioritization and guidance for actions to be taken within an organization. This strategy framework is cascaded into an entity, moving the responsibility for strategy implementation down, level-by-level into the departments and sections. Thus, strategy may have different meanings at different hierarchical levels of an organization, but it should always imply choice and answer the question: “How will the organization choose to deliver its mandate?”

This manual discusses the strategy steps after development of the overall Federal strategy and identifies how that strategy is linked at the Federal Government Entity (FGE) level and cascaded to the departmental level. The following visual shows how this cascade of strategy flows from the overall Federal strategy into the Federal entities and then how each FGE strategy will cascade into the departments within that entity. At each cascading step, the process repeats, but with more detail until the initiatives are broken down into activities.



The remainder of this introduction chapter establishes the context for strategy planning within a Federal Government Entity. It does so by addressing the following key questions:

- What is strategy in the Public Sector?
- Why is strategy important?
- What are the benefits of a clear strategy?
- Why do strategies fail?

What is strategy in the Public Sector?

Strategy for business is often evaluated by its bottom-line impact. Public sector strategy's equivalent to bottom-line impact is its effect on the social wellbeing of its citizens by enhancing quality of life, increasing living standards

and achieving economic and sustainable development. A business strategy involves choosing the route for creating competitive advantage and is thus heavily dependent upon the actions and anticipated reactions of direct competitors. While for some public entities, the notion of 'competitive advantage' is still valid (e.g. competition between schools of Ministry of Education and Private Schools); for other Federal entities, a comparative to competitive advantage is the consideration of citizen's interest or citizen's well being for instance.

Where business strategy is often considered to be a 'secret', due to the competitive element. Public sector strategy often needs to be visible to ensure public accountability.

Strategies for leading governments as well as strategies for commercial entities contain common elements that include:

- Clarity about the desired outcomes they must achieve (i.e. they have clear objectives and targets)
- Consideration of trade-offs involved in making the choices and thus declare relative priorities
- Consideration of both the external and internal environments in deciding the appropriate strategy – this is done through the use of a PESTLE analysis (external assessment) and benchmark information, review of operational KPIs, entity portfolio and organizational enabler assessment (internal assessment), leading to a SWOT of the entity (for further details see chapter 3: Where - Generating Strategic Objectives and Gaps)
- Creativity – designing and discovering new possibilities
- Effective mechanisms for adaptability in the light of experience and/or a moving external and internal environment
- Developed with and communicated effectively to all those with a stake in the strategy or all those involved in its funding or implementation

Strategy development varies. Some are very precisely defined and imposed top-down through organizational hierarchies. Others may use a more bottom-up approach and emerge in a more evolutionary and co-operative way from discussions, experiments and learnings. The strategy development process described in this manual appreciates the hierarchical necessity of government policy and utilizes a consultative approach for strategy development in a FGE.

Why is strategy important?

Strategy is important because it provides necessary direction to an organization. When it is fully cascaded into the departments, it tells

the organization how it should go about doing its work. Strategy sets the basis for a sound performance measurement system. Strategy is not only the road map for the organization, but also sets up the signposts to measure progress. In order to fully use the potential of a clear, defined strategy, some factors which characterize effective strategies are important to consider:

- **Alertness:** every strategy assumes a certain environment going forward; hence, a risk management aspect should be built into the strategy which would monitor changes in the environment and allow corrective action
- **Acceptability:** it is important for an effective strategy to have people rally behind it; this is done through the use of a consultative process and effective stakeholder management
- **Feasibility:** an effective strategy is one that can be delivered given the organization's current resources and existing capabilities, e.g. financial, human, systems, processes, etc.
- **Sustainability:** an effective strategy should be long-term, focused, enabling the organization to achieve its targets in the long run, but with clearly defined interim milestones

What are the benefits of a clear strategy?

Having a clear strategy allows for:

- A clear understanding of where the organization wants to go and in what time frame
- The establishment of performance measures against known objectives or outcomes
- Linking the organization to work towards common objectives
- Creating a dynamic organization that can easily adapt to internal and external changes
- Focusing of the organization's resources
- Effective prioritization and decision making

Why do strategies fail?

There are numerous reasons why a strategy can fail and it is important to be aware of pitfalls during its implementation. The top reasons why strategies fail in implementation are:

- Lack of top management support and commitment for the strategy
- The change resulting from the new strategy was not managed effectively
- Inefficient planning during strategy development
- No clear linkage between the strategic objectives and the rest of the organization; i.e. lack of cascading
- Unclear/vague implementation plan
- Poor information sharing within the organization and between the organization and its external stakeholders
- Lack of appreciation for the resourcing requirements
- Lack of appropriate performance measures

Manual outline

This manual is addressed to everybody involved in strategy development at FGEs. The manual describes all of the steps required to develop and manage strategy, following a strategy development cycle shown below:



The manual begins with initial project set-up in chapter 1. This is then elaborated in Chapter 2 where the FGE determines 'Who' it is within the Federal Government by clarifying its vision, mission, core values and alignment with the overall Federal strategy.

Chapter 3 is the core of the strategy planning steps, as the FGE establishes a comprehensive set of strategic objectives, key success factors (KSFs), and the strategic key performance indicators (SKPIs) which measure progress towards each strategic objective. The stage for this objective setting task will be set by completion of a gap analysis against the overall Federal strategy, the

FGE's vision and mission, as well as international benchmarks.

In chapter 4 the strategy plan is cascaded into the organization for the development of initiatives to ensure the delivery of the KSFs. The steps in this chapter will include brainstorming initiatives, as well as identifying, defining and prioritizing the initiatives to be pursued for each strategic objective.

Chapter 5 progresses through additional steps to cascade the responsibility for implementation of the strategic objectives into the FGE's departments by identifying the activities for the initiatives, assigning them to departments, developing time and resource estimates for each activity and finally developing operational performance measures (OPMs) broken down into quarterly milestones.

Chapter 6 addresses how the strategy department should consolidate information associated with each strategic objective into an operational plan and create various tools to track the progress of each initiative. The final chapter outlines causes for an interim strategy revision to occur and when adjustments to the strategy are necessary. The support chapter "Tools and Techniques" provides support for the strategy development process by explaining related and required tools and templates.

Each chapter is organized in a similar manner; beginning with an overview and definitions, followed by the topic discussion, including - where appropriate - a case example (using a hypothetical Ministry of Education case), and ending with key learnings in the form of a checklist. To aid understanding as the user progresses, some templates, which can be used in the strategy development cycle, are included as part of the body of the manual.

The strategic objectives to describe 'Where' the FGE needs to be are now established through the 'Where' steps outlined in the preceding chapter. The next step is to develop 'What' must be done in the form of initiatives that will deliver each strategic objective's key success factors (KSFs), a process that is outlined in this chapter of the manual.

We track this step by looking at the placement of the 'What' phase in the Strategy Development Cycle shown below:



In this chapter the user will progress through the steps for the development of initiatives to ensure the delivery of the KSFs for the strategic objectives. The steps in this chapter will include brainstorming initiatives, identifying, choosing and defining the initiatives for each strategic objective.

This chapter starts by introducing an overarching framework for strategy development and then answers the all important question, "What initiatives are required for the FGE to ensure accomplishment of the strategic objectives?" The chapter approaches this problem by discussing the following:

- How to develop initiatives for achieving strategic objectives?
- How to identify initiatives that impact more than one department within the FGE?
- How are initiative process owners identified?
- How to consolidate and finalize FGE initiatives?
- What are the key learnings?

The definitions of some of the key terms used in this chapter are outlined below:

- **Initiative:** an initiative is a grouping of activities that is formulated by a FGE to deliver a specific strategic objective. The initiative measurement can be an output or an outcome that contributes to the fulfillment of a key success factor (KSF) for the specific strategic objective.
- **Departmental Initiative:** a departmental initiative is an initiative that is in place to close a gap(s) that will benefit a singular department.
- **Entity Initiative:** an entity initiative is an initiative that is in place to close (a) gap(s) that exist(s) across multiple departments. Addressing gaps via an entity initiative should benefit more than one department, or even the entire FGE.
- **Critical Assessment Process:** an evaluation of potential initiatives, assessing them for 'impact' and 'ability-to-implement' to prioritize the initiatives, so that the most strategic ones are progressed to implementation.

The tools introduced in this chapter are outlined below:

- **Prioritization Matrix:** A tool used to assist the strategy department team in prioritizing and selecting the initiatives according to their 'impact' and 'ability-to-implement'

The content belonging to each step of the Strategy Development Cycle will be clearly outlined

Definitions and required tools will be explained in the beginning of each chapter

4.6 What are the key learnings?

No.	Key Learnings	✓
1	Have we developed a summary of the strategic plan from vision through strategic objectives to share with the departments?	<input type="checkbox"/>
2	Have we developed, with each department, prioritized initiatives for each strategic objective?	<input type="checkbox"/>
3	Have we compiled a list of potential entity level initiatives from the departmental working sessions?	<input type="checkbox"/>
4	Have we looked at ongoing initiatives as part of the departmental and entity level activities?	<input type="checkbox"/>
5	Have we developed a list of entity level initiatives?	<input type="checkbox"/>
6	Have we assigned initiative process owners for the initiatives?	<input type="checkbox"/>
7	Have we consolidated the departmental and entity-level initiatives?	<input type="checkbox"/>
8	Have we presented the prioritized initiative list to leadership and gotten sign off?	<input type="checkbox"/>

Each chapter will conclude with a 'Key Learnings' section in the form of a checklist

Whenever a case example is used, it will be outlined in this fashion

Case Example: Vision Statements

Ministry of Health:

"Championing a healthy nation with our people – To live well, live long and with peace of mind"

Ministry of Environment & Water Resources:

"A clean environment. Water to all. Together, a sustainable Singapore"

Source: Singaporean Government Websites

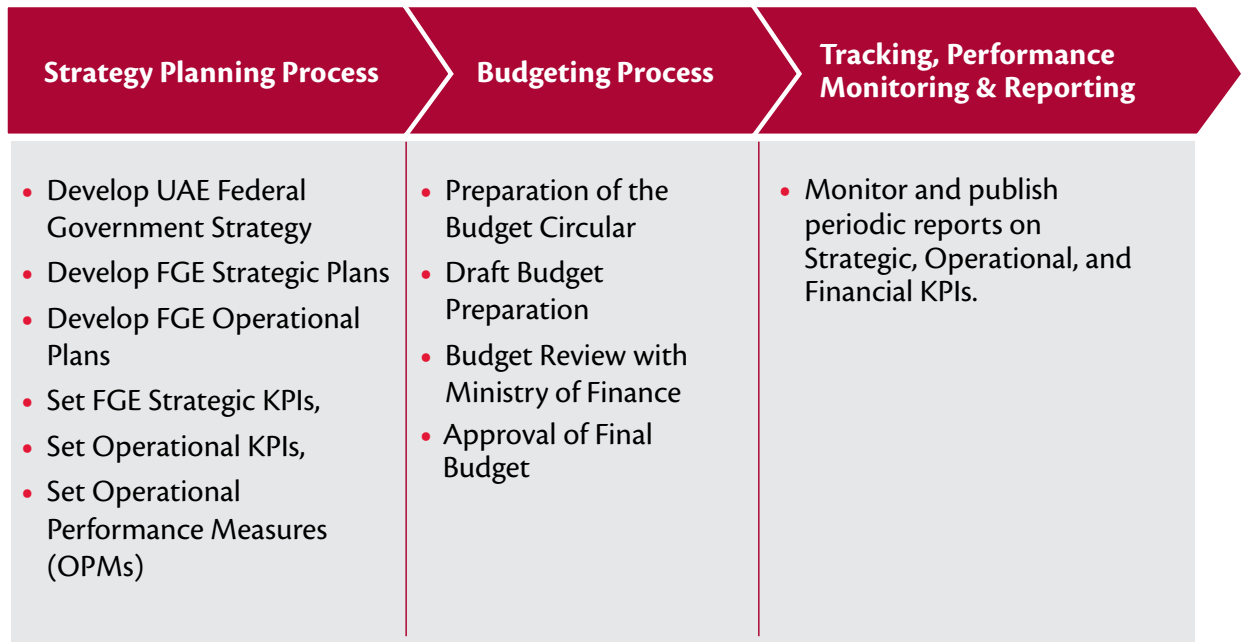
Within the context of this manual, there are many case examples. These case examples are included to better illustrate to the user the strategic concepts discussed in this guide.

In most situations, these case examples are fictional unless noted and do not relate to and are not based on any existing situations and / or Federal entities.

Strategy Planning Process

This Strategy Manual and the Performance Management Manual, which are both issued by the Ministry of Cabinet Affairs (MOCA), are the

main documents that illustrate the guidelines for the Strategy planning and Performance Management processes at the level of FGEs. The timeframe for budgeting follows the timeline for The UAE Government Strategy planning.



UAE Government Strategy Planning Process

The UAE Government Strategy constitutes the Government's platform as envisioned by the country's leadership through the formulation of a multi-year strategic plan for the Federal Government. The UAE Government Strategy consists of a set of key priorities, strategic objectives and high-level recommendations that serve as the basis for the development of strategic plans by FGEs.

The Strategy planning process entails the formulation of strategic plans by FGEs based on the UAE Government Strategy. All FGEs should have three-year strategic plans and are required to incorporate the timeframe of their strategic plans so that it adheres to the Strategy Cycle as approved by the Cabinet.

The strategic plan typically contains elements such as the FGE's vision, mission and core values; however, the core of the strategic plan lies in the strategic objectives and strategic KPIs, which are built on the UAE Government Strategy and

FGE priorities. A number of key success factors (KSFs) are defined for each strategic objective to help in developing initiatives to support the strategic objectives. KSFs represent the most important strategic enablers to be achieved by a FGE in order to fulfill its strategic objectives. The FGE also sets main KPIs.

FGEs develop at least one strategic objective that covers the administrative backbone in their strategic plans. An administrative backbone objective includes all the shared activities of the FGE that are performed for internal purposes and may not fall directly under any of its other strategic objectives.

The definitions of some of the key terms used in this guide are outlined below:

- **Strategy:** the method chosen by an organization to identify and reach specific objectives. Strategy is a declaration of how the organization will go about accomplishing its mandate

- **Strategy Development Project:** the FGE's strategic planning departments formulate their strategic plans as a routine project every three years. This work may be organized in the form of a strategy development project and use a team structure. Most Federal entities have three-year strategic plans, except in the special case of some autonomous agencies that follow different strategy cycles. On the departmental level, the operational plans are revised every year to account for short-term changes in the internal or external environment of the FGE.
- **Vision:** is a statement of aspirations, describing the desired future state, outcomes and position of a FGE, which will inspire, energize, motivate and stimulate creativity throughout the organization
- **Mission:** is a clear and concise statement that embodies the purpose of the FGE or is a summary of what the entity is required to accomplish for the Federal Government
- **Core Values:** these are the important behavioral attributes and boundaries required of the FGE staff in order to deliver the vision and mission
- **Federal Strategy:** constitutes the Government's platform as envisioned by its executive leadership. It consists of a set of objectives, guidelines and high-level recommendations that serve as the basis for the development of strategic and operational plans by Federal Government Entities
- **Strategic Objectives:** is an outcome that has a direct impact on the community and addresses specific needs and / or interests of The UAE citizens
- **Key Success Factors (KSFs):** the most important strategic enablers that are necessary for the organization to realize a strategic objective
- **Key Performance Indicators (KPIs):**
 - Outcome based Strategic KPIs ("SKPIs") measure performance at a strategic level. These are numeric measurements of outcomes that assess the progress being made towards achieving a strategic objective.
 - Operational KPIs ("OKPIs") are set at the initiative level, and may be output KPIs or outcome KPIs, depending on the nature of the initiative.
- **Initiative/Program:** an initiative is a grouping of activities that is formulated by a FGE to deliver a specific strategic objective. The initiative measurement can be an output or an outcome that contributes to the fulfillment of a key success factor (KSF) for the specific strategic objective.
- **Critical Assessment Process:** an evaluation of potential initiatives, assessing them for 'impact' and 'ability-to-implement' to prioritize the initiatives, so that the most strategic ones are progressed to implementation.
- **Activities:** are tasks which, when grouped together, constitute an initiative. Activities are formulated by a FGE, based on its strategy
- **Operational Performance Measures (OPMs):** a measurement that represents how well activities are being performed.

Chapter 1

Strategy Development Project Setup

This chapter describes critical steps to successfully setup and start a strategy development project of a Federal Government Entity (FGE). It shows how a strategy development project should be initiated by identifying key decision makers, defining a project organization structure and developing team guidelines. After covering these fundamentals, the chapter also discusses how to plan, document, manage and start a strategy development project.

The above insights are conveyed by addressing the following key questions:

- **What are the requirements for a strategy development project?**
- **How are successful teams set up?**
- **How should the strategy development project be defined, documented, planned and monitored?**
- **How should the strategy development project be started?**
- **What are the key learnings?**

The definitions of some of the key terms used in this chapter are outlined below:

- **Strategy Development Project:** the FGE's strategic planning departments

formulate their strategic plans as a routine project every three years. This work may be organized in the form of a strategy development project. Most Federal entities have three-year strategic plans. The operational plans are revised every year to account for short-term changes in the internal or external environment of the FGE.

- **Project Team** consists of members from the strategy department and internal and / or external subject matter experts of the FGE; potentially a member of the FGE's leadership team may be part of the project team as well. They are collectively responsible for developing the strategy.
- **Project Charter:** a project charter is a statement of the objective, scope, budget, boundaries and constraints as well as deliverables, measures of success and potential risks for the project.
- **Project Schedule:** shows the major phases, work streams, time lines and milestones of the project and maps the sequence of project activities.

The following paragraphs follow the structure outlined in the project setup process:

Project Initiation & Requirements	Project Team Setup	Project Charter & Plan	Project Start-up
<ul style="list-style-type: none"> ■ Define the need for the project ■ Identify key decision makers and potential stakeholders ■ Set strategy development project organization; establish <ul style="list-style-type: none"> -- Project Sponsor -- Steering Group -- Expert Advisory Group (optional) 	<ul style="list-style-type: none"> ■ Recruit the right team members with the appropriate skills and expertise 	<ul style="list-style-type: none"> ■ Define the charter & document: <ul style="list-style-type: none"> -- Timeframe -- Project objective and goals -- Deliverables / Definition of Success -- Scope Definition -- Boundaries and Constraints -- Project Risks -- Project Organization Structure -- Project Authorization ■ Define the schedule and include: <ul style="list-style-type: none"> -- Activities -- Sequences 	<ul style="list-style-type: none"> ■ Organize initial start-up meeting with all key stakeholders <ul style="list-style-type: none"> -- Reach a common understanding and purpose -- Create commitment -- Energize, build momentum and excitement amongst all participants

1.1 What are the requirements for a strategy development project?

Project Initiation & Requirements

In order to initiate a strategy development project, certain elements have to be taken into account and addressed right from the beginning to ensure they do not hinder, slow down or complicate a project. These are definition of project need, identification of key decision makers and potential stakeholders, and definition of the project organization structure.

Define the need for the project

The first step in initiating a strategy development project should be the identification and definition of the need for such a project. This helps determine whether the right questions are being asked, whether a review of an existing strategy will really add value, whether the project is being conducted at the right point in time or whether the strategy should address the entire organization or only part(s) of it.

For example, in case the strategy project is part of the 3 year Federal Government strategy cycle, it will be initiated by Cabinet. However, if the project is being initiated as a strategy revision in the midst of the Federal strategy cycle, then the need will most likely be generated internally by the entity's senior leadership, performance management or strategy department. In either case, the head of the strategy department is responsible for initiating the project and

recruiting a broader team both from within and possibly outside the strategy department.

Moreover, the Federal Government strategy is an important prerequisite for the FGE to consider regardless of whether it is engaged in a new strategy cycle or conducting a mid cycle strategy revision.

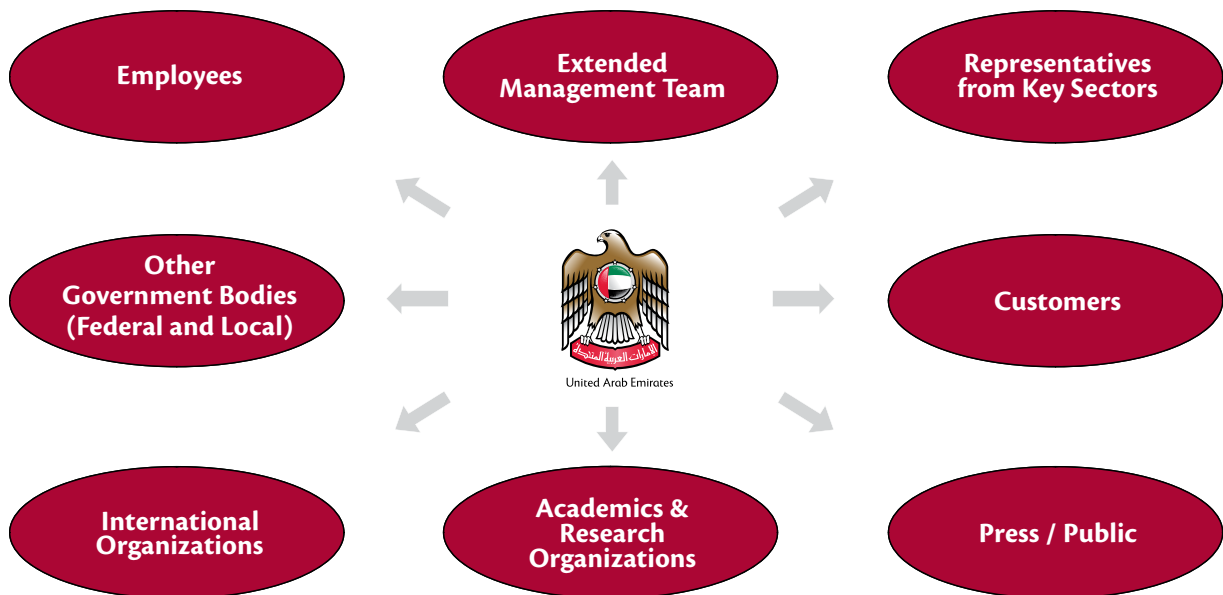
Identify key decision makers and potential stakeholders

In order to understand the requirements of the project in terms of stakeholders, it is essential for the strategy department to understand who these stakeholders are, what their role might be and what influence they might have on the strategy - for more details please refer to the Tools and Techniques chapter.

Stakeholders are individuals or entities who can affect or are affected by the strategy development project. They can be categorized into:

- **Internal stakeholders** can be the Minister, Director General and generally all departments within the organization who are affected by the strategy
- **External stakeholders** can be the Public, other government bodies/FGEs, local governments, Non-Governmental Organizations, businesses affected by the strategy, etc.

The following example illustrates the different stakeholders.



External stakeholders need to be considered and examined in terms of how the project outcomes would affect them; likewise, internal stakeholders will also need to be considered and examined. Although internal stakeholder approval does not have to be obtained for

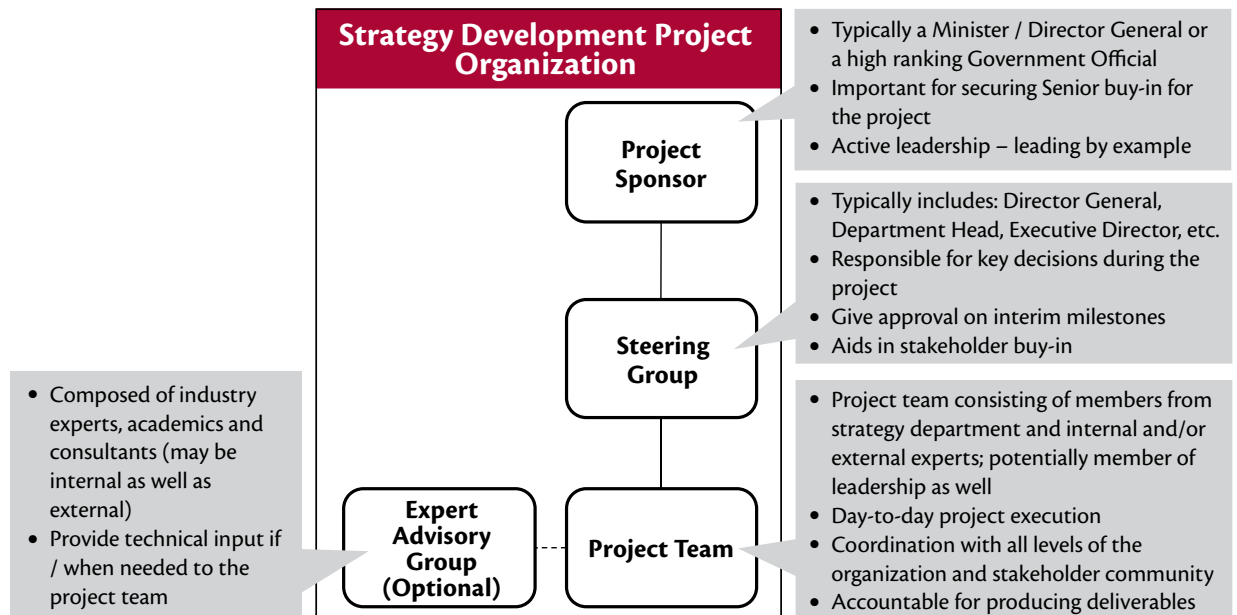
every action associated with the project, getting internal stakeholder buy-in and support early on in the process is beneficial to avoid disagreement as the transition into the implementation phase begins later in the process.

Set strategy development project organization

As part of the project initiation, it is important for the strategy department to establish the project's organizational structure. Determining the structure means establishing an appropriate

project sponsor, a steering group and an expert advisory group (if required/optional). These different individuals and/or groups are described in the following paragraphs.

An overview of a potential strategy development project organization is shown below.



It is essential to get the project sponsor (typically a Minister, Director General or Executive Director) on board very early in the project. He or she can underpin the project importance to all stakeholders and ensure buy-in and commitment across the organization. The sponsor is not necessarily involved in the day-to-day process activities, but sets the stage for success and maintains oversight over the project. The sponsor has a strong interest in the success of the project and does what is needed to ensure the outcome. For the team the sponsor is also an important source of knowledge about key strategic issues and effective ways to tackle them. Moreover, he/she typically has vast knowledge about the organization and the environment.

The traditional role of a steering group is to provide project oversight and to recommend decisions to the project team at critical stages in the project. Members should include key project stakeholders and may include external stakeholders, if appropriate. Examples are: the project sponsor or a representative of the project sponsor, (executive) directors, department

heads, an external member with specific subject matter expertise, etc.

Other than the above described role, additional roles for the steering group are:

- Advice on content
- Stakeholder buy-in
- External discipline for the team
- Guidance on the direction of the project
- Approval of deliverables during different project phases

It is generally advisable to have several periodic meetings of the steering group during the life of the project. The objective of each meeting is to provide an update on project progress and to seek advice and consensus at key decision points. In addition to the steering group, it may be useful to have an expert advisory group. This is a small group of (internal and/or external) industry, sector or subject matter experts who may provide technical input and advice and can act as a sounding board and reality check on emerging conclusions.

1.2 How are successful teams set up?

Project Team Setup

In order to ensure a successful project, attention needs to be given to composing a team of the right size, with the right combination of skills and with the right motivation and leadership. Because difficult strategic issues require creative and fresh thinking, a team with the right mix of skills and experiences brings fresh thinking and insights to complex strategic issues. Usually the team members consist of members of the FGE's strategy department, internal and/or external experts and potentially a member of the FGE's leadership as well.

Furthermore, the team also needs to be led by someone who can provide guidance and coaching to the team members. He/she has to be able to recognize and acknowledge the contributions and ideas of the team members, give constructive criticism and feedback, be responsible, dependable and capable of motivating his/her subordinates. In addition, such an individual must also have a high level grasp of the technical and/or analytical issues that may be faced by his/her subordinates. In general the team leader has to have a high personal standing with other team members in order to be accepted as the team leader.

1.3 How should the strategy development project be defined, documented, planned and monitored?

Project Charter & Plan

Managing the strategy development project also requires clarification and documentation of the intended outcomes, scope, timeline, budget and organization structure. Furthermore there should also be an upfront risk assessment and documentation of a stakeholder communication plan. Taking these steps help ensure that all stakeholders have a common understanding of the project (e.g. objectives, scope) and that there is ongoing monitoring and measurement of progress throughout the project. A structured project charter is the best way to fulfill these requirements.

Define the charter

A project charter is an internal document that outlines the purpose of the project, the way

the project will be structured and how it will be successfully seen through. It describes the project vision, objective(s), scope, deliverables and the timeframe, as well as stakeholders and their roles and responsibilities. It should also show the project risks as well as the constraints and boundaries of the project, e.g. time constraints, capability lack and overlap with other entities.

The strategy team should create the project charter upon the initiation of the strategy development project in consultation with the steering group and other relevant stakeholders.

A project charter is important because it is used to recognize the existence of the project and to begin the planning process required to accomplish the project's goal.

The following is an illustration of a sample project charter (illustrative only):

Project Charter			
Project Name:		Date:	Time Frame:
Project Objective and Goal: <i>Describe the reason that the project was undertaken to address i.e. project justification.</i> <u>Example:</u> "The project is undertaken to form a clear strategy for a country's Ministry of Education based on the initial strategy developed in 2004 and in the context of the 2007 federal government strategy."			
Scope Definition: <i>Document the scope of the work to be delivered.</i> <i>In: Scope is what the project will include to meet the requirements of the project goals.</i> <i>Out: Scope excludes responsibilities, activities, deliverables, or other areas that are not part of the project.</i> <u>Example:</u> <ul style="list-style-type: none"> ■ In: Develop a new vision, mission and strategic objectives for the Ministry ■ Out: This project is limited to the scope of planning, not implementing the strategy. 		Deliverables / Definition of Success: <i>Provide a high level list of 'What' needs to be done in order to reach the project goals. Describe the deliverables using action words such as 'deliver', 'provide', 'create', 'research', etc...</i> <i>Deliverables should be measurable so that the Project Sponsor, Steering Group, and project team can determine whether the deliverable has been successfully completed at the project's conclusion.</i> <u>Example:</u> <ul style="list-style-type: none"> ■ Provide an evaluation of the strategy development and implementation process in 2004 ■ Create an improvement plan – based on the situation analysis – in order to integrate lessons learned ■ 	
Boundaries and Constraints: <i>List any constraints (potential factors that will impact the delivery or make it difficult to manage the project) on the project or dependencies on resources or funding to the project.</i> <u>Example:</u> "The strategy development project has to be accomplished until May 2010."			
Project Risks: <i>List any potential risk factors possibly impacting the project.</i> <u>Example:</u> Cancellation of funding for market study due to budget constraints			
Project Organization Structure: Identify the Key Stakeholders and team members by function, name, and role.			
Group	Function in Group	Name	Role in Organization
Project Sponsor			
Steering Group	Member 1		
Steering Group	Member 2		
Project Team	Team Leader		
Project Team	Member 1		
Project Team	Member 2		
Expert Advisory Group	Member 1		
Expert Advisory Group	Member 2		
Project Authorization			
Approved by Team Leader: ----- (Date and Signature)			

Define the schedule

In the setup phase of the strategy development project, required planning efforts are limited to a high-level since details of tasks might not even be determined at such an early stage in the strategy development cycle.

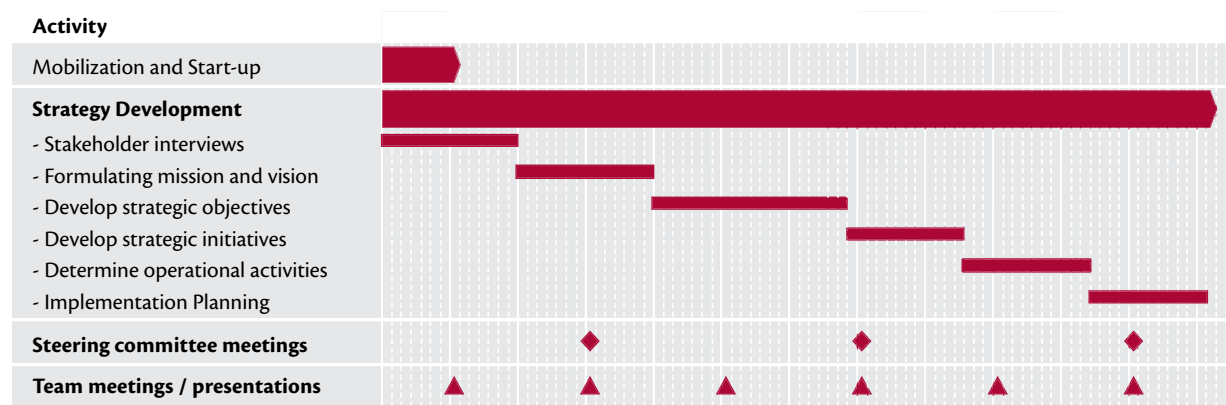
However, project planning is important in order to keep track of the major phases and tasks. A project schedule is a tool used in project planning.

A project schedule shows the major phases, work streams, milestones and responsibilities in the project and maps the sequence of project activities. It is created during the setup phase of the project by the team leader in consultation with key stakeholders. The team leader should receive buy-in from the steering group ensuring that all required milestones and major tasks are integrated in the schedule.

Project schedules provide a basis for monitoring and controlling the project activities, and help determine the best allocation of resources. The schedule tracks the project progress, so that potential problems can be identified in a timely manner and corrective actions can be taken. Monitoring and controlling includes:

- Assessing the ongoing strategy development project activities
- Examining the project schedule against variables (e.g. time)
- Identifying corrective actions to properly address issues and risks

An example of a strategy development project schedule is shown below.



1.4 How should the strategy development project be started?

Project Start-up

The previous paragraphs describe the necessary preparations for initiating a strategy development project. The following content outlines the importance of planning for and start-up of the project. The start of the project is one of the most critical milestones in a project since it is the stakeholders' and team's first impression of a project that can set the tone for success or failure. Therefore it is recommended to hold an initial project start-up meeting in order to:

- Announce the beginning of the strategy development project
- Present the objectives and the roles and responsibilities of team members and receive clear commitment from individuals
- Clarify the expectations of all parties including the leadership team

- Create commitment by key people who influence the project's outcome
- Establish a common purpose and direction
- Energize, build momentum and excitement amongst all participants

The initial project start-up meeting ideally involves the project team, the steering committee and key stakeholders; additionally, parties who need to officially recognize the commencement of the project if necessary. Reaching a common understanding of the project's objectives and priorities is the main objective of the meeting.

Every attendant of the initial project start-up meeting should be made aware that all major "open issues" related to the project or the team should be discussed in that meeting, so that the team can start the project with clear premises.

1.5 What are the key learnings?

No.	Key Learnings	✓
1	Did we identify key decision makers and stakeholders and initiate the project largely involving them?	<input type="checkbox"/>
2	Did we ensure project sponsorship by a Minister / Director General or another high-ranking Government Official?	<input type="checkbox"/>
3	Did we establish a steering group?	<input type="checkbox"/>
4	Do we have the right team in place?	<input type="checkbox"/>
5	Did we lay out the ways to communicate and operate within the team?	<input type="checkbox"/>
6	Did we document the project in a project charter with all required details?	<input type="checkbox"/>
7	Did we plan the project by developing a project schedule?	<input type="checkbox"/>
8	Did we reach a common understanding with all the attendees in the start-up meeting as to the project objectives and priorities?	<input type="checkbox"/>

Chapter 2

Who – Clarifying The Vision, Mission And Federal Strategy Alignment

This chapter outlines the steps required to clarify the vision, mission and core values of a Federal Government Entity (FGE) as well as its alignment to the federal strategy. Clarifying alignment to the Federal strategy is important in that a change in Federal strategy may require revisiting and refining the FGE's vision and mission. This chapter is described in the strategy planning process as the 'Who' phase of the process, because the organization emerges from this phase with a clear understanding of 'Who' it is as an entity within the UAE Federal Government.

This step can be tracked by looking at the 'Who' phase placement in the Strategy Development Cycle shown below:



This chapter discusses how the vision, mission and core values for the FGE are clarified. The chapter starts by introducing an overarching

framework for considering the FGE's vision, mission and Federal strategy alignment and then discusses the following:

- **Vision:** What are the aspirations of the FGE?
- **Mission:** What is the purpose of the FGE?
- **Core Values:** What are the desired behaviors?
- How will these elements be used later?
- What are the key learnings?

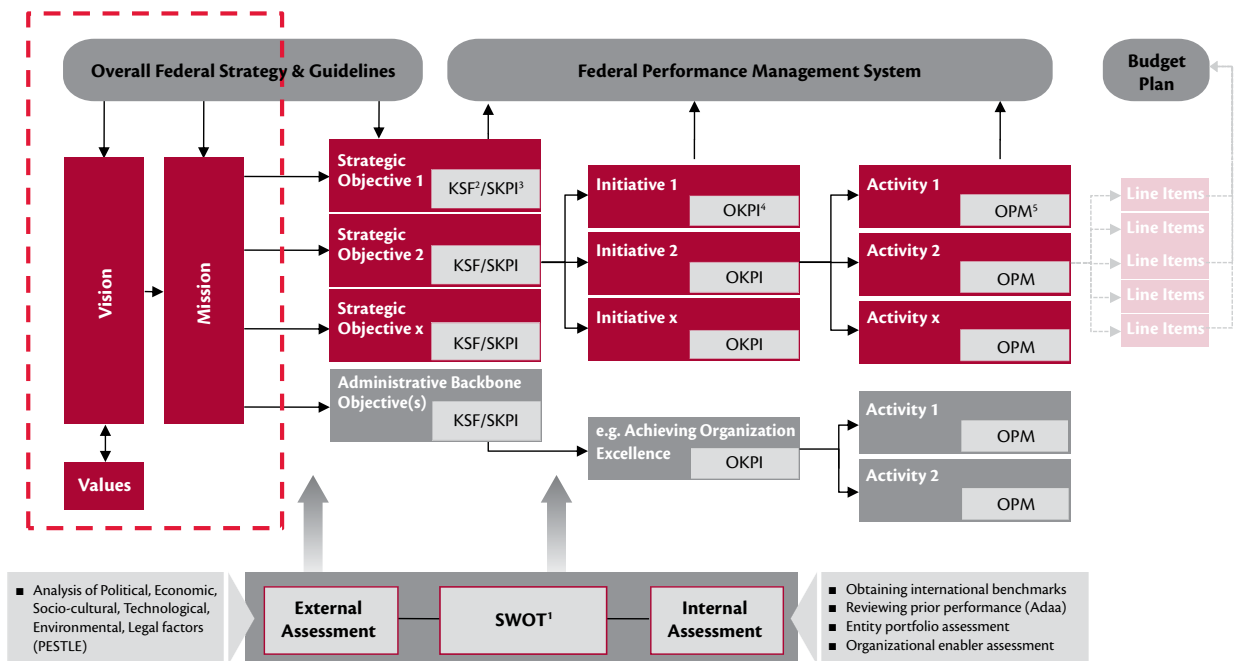
The definitions of some of the key terms used in this chapter are outlined below:

- **Vision:** is a statement of aspirations, describing the desired future state, outcomes and position of a FGE, which will inspire, energize, motivate and stimulate creativity throughout the organization
- **Mission:** is a clear and concise statement that embodies the purpose of the FGE or is a summary of what the entity is required to accomplish for the Federal Government
- **Core Values:** these are the important behavioral attributes and boundaries required of the FGE staff in order to deliver the vision and mission
- **Federal Strategy:** the Federal Strategy constitutes the Government's platform as envisioned by its executive leadership. It consists of a set of strategic objectives, guidelines and high-level recommendations that serve as the basis for the development of strategic and operational plans by Federal Government Entities

2.1 What is the overarching framework for clarifying the FGE's Vision, Mission and Federal Strategy Alignment?

Once the strategy development project has been set-up, clarifying the FGE's vision, mission

and ensuring Federal strategy alignment is the initial step in the strategy development process.



The overarching elements of vision and mission are the long-term foundation blocks for an entity and not something that is expected to change year upon year. Once they are articulated, they are generally not revisited annually. However, they will need to be reviewed at the start of each 3-year Federal planning cycle, or they may need to be revisited if a mid-cycle strategy revision is required (e.g. because of a change in the mandate). This is done to ensure that all members of the current leadership are 'on-board' with the vision and mission and to make refinements if changes in the overall Federal strategy suggest revamping of the FGE's vision and mission.

In clarifying the vision and mission, two steps will need to be taken:

1. The process will start with a vision statement by the leadership, declaring the desired

future positioning of the FGE. This statement may describe the level of service and value the FGE intends to deliver to the various elements of the population it serves. The vision statement is accompanied by a public declaration of the behavioral attributes (core values) that will guide how staff interact with each other and with stakeholders of the entity

2. The next step is a review of the mission as this is a declaration of why the Federal entity exists; an understanding of its purpose and responsibilities to its customers and stakeholders

The remainder of this chapter will explain in detail each step for clarifying a FGE's vision, mission and ensuring alignment to the Federal strategy.

2.2 Vision: What are the aspirations of the FGE?

The vision is the leadership's statement of who they want the entity to be in the future. A vision is a statement of aspirations describing the desired future state, outcomes and position of the FGE, which will inspire, energize, motivate and stimulate the entity. The vision is a statement from the leadership and it lasts until the leadership wishes to declare new aspirations for the desired level of accomplishments.

Vision is the first stage for developing targets to measure the success of the FGE.

The strategy department team will facilitate the creation or revision of their organization's existing vision. A successful vision statement:

- Is clear and easily understandable with no explanation required
- Is inspirational
- Establishes a general definition of success for the FGE
- Focuses peoples' efforts in a common direction

Because a 'vision' is a public statement by the leadership of what it wants the organization to achieve and because a 'vision' should inspire and motivate, in order to reach its full effect, careful wording is as important as the intent of the vision.

Articulation of a vision is an effort by the leadership team (Minister, Director General and senior management) as well as other selected stakeholders. The strategy department team will facilitate its development by suggesting options or ideas. Ideas for these might be collected through benchmarking or via consultation

workshops with key stakeholders. The following questions might be posed and the answers recorded by the strategy department team:

- Who does the organization want to be in the future?
- Does a change in Federal strategy require the organization to update its vision?
- What does the organization want to do for its customers?
- How does the organization want to be measured and viewed by its stakeholders?
- What does the organization want its customers to remember about their relationship?
- Is there some other organization that the FGE should be measured against?
- What are some indicators that the organization is delivering its vision successfully?
- Why might the organization's people want to help achieve its vision?
- What standards could be stated about the organization's performance?

If these questions are discussed with the leadership team members individually, then the strategy department team will undertake the responsibility for crafting words and presenting choices to the leaders. Or, these questions can be used in workshops with the leadership and other key stakeholders in the FGE to provoke discussion and to give the strategy department team words or groups of words they can craft into a simple statement.

Case Example: Vision Statements

Ministry of Health:

"Championing a healthy nation with our people – To live well, live long and with peace of mind"

Ministry of Environment & Water Resources:

"A clean environment. Water to all. Together, a sustainable Singapore"

Source: Singaporean Government Websites

2.3 Mission: What is the purpose of the FGE?

Federal entities are created to implement the policies of the government. The mission is a declaration of the specific reason that the government created the FGE for. Thus a mission is the organization's purpose, its reason for existence; what services it must deliver and perhaps what services it should not deliver.

Rather than publishing the entire proclamation that created the FGE, the mission should be reduced to a simple and clear one or two line item statement of purpose to ensure that all employees have the same understanding of why the entity exists.

As a part of clarifying the vision and mission and ensuring alignment to the Federal strategy, the strategy department team will create, or revisit, their FGE's existing mission.

If there is a need to revise the mission and / or create a new mission if one does not already exist, a mission statement is created by answering the following questions:

- **Why was this FGE created? What are the basic needs the entity exists to meet?** The answers to these questions explain the basic justification for the organization's existence and the source of its legitimacy.
- **How does this FGE go about meeting this purpose? What does it do to meet these needs?** These questions prompt the organization to stay actively in touch with the needs it is supposed to address and to think about how it should go about meeting the needs.

- **Who are the stakeholders? What does this entity provide for its stakeholders?**

These questions address the organization's relationship with those it serves.

A successful mission statement:

- **Focuses on the overall purpose of the entity**
- **Describes the value delivery to citizens**
- **Is long-term focused**
- **Is specific, short and easily understood**

If a mission statement meeting the above criteria exists, the strategy department team needs only to confirm its validity with key stakeholders via interviews, focus groups and / or workshops, e.g. with the Minister / Director General / Senior Management.

However, if a mission statement does not exist, it may be useful to do some benchmarking of similar international governmental entities, looking at how their mission states their purpose and how it describes their responsibilities.

Informed by the answers to the above questions and armed with examples of how other similar governmental entities declare their mission, the strategy department team should be prepared to craft a statement. The following process steps can be used to develop a mission statement in a workshop with key stakeholders as previously stated.

Step 1	<ul style="list-style-type: none"> ■ Individually write down the key words that might describe the Mission /Purpose of the organization – answer the key questions
Step 2	<ul style="list-style-type: none"> ■ Look for the common themes and words from each participant ■ Combine these statements into the themes and discern the most basic requirements to be met
Step 3	<ul style="list-style-type: none"> ■ Enter into a group discussion looking for a unified view of what is to be delivered to customers and how the UAE is to be served by the organization ■ Let one or two people work on summarizing the conclusions of the group
Step 4	<ul style="list-style-type: none"> ■ Bring a couple of example statements of the summary to the group and let them confirm or re-construct the sentences ■ End with a one or two sentence statement
Step 5	<ul style="list-style-type: none"> ■ After a few days, as a group, look at the statement and as how it will be interpreted by: <ul style="list-style-type: none"> – Employees – External stakeholders – Customers

The few days' separation between Step 4 (developing the one or two sentence summary) and Step 5 (looking at the statement from different perspectives) allows the team to review the statement with fresh minds. If the statement delivers the meaning they recalled, when they reread it after a few days, it is a sound

expression of the mission they feel is correct for the organization.

After crafting the statement, the strategy department team needs to confirm its validity with the Minister / Director General.

Case Examples: Mission Statements

Ministry of Health :

“Our mission is to promote good health and reduce illness, ensure access to good and affordable healthcare, and pursue medical excellence”

Ministry of Environment & Water Resources:

“To deliver and sustain a clean and healthy environment and water resources for all in Singapore”

Source: Singaporean Government Websites

2.4 Core Values: What are the desired behaviors?

Core values are important behavioral attributes required of the FGE's staff in order to deliver the vision and mission. Core values should be reflected in the organization's behavior as well as in the behavior of each individual staff member. Core values only change when the leadership implements a new vision for the FGE. Most Federal entities already have established core values, but they might be revisited at the start of the 3-year Federal strategy cycle.

The criteria for successful core values include:

- People can 'see' them in the actions of staff
- They promote behaviors that support the vision
- They provide useable definitions of acceptable actions

- They can be used as a rule of conduct
- They set limits / ethical guidelines
- They define what an organization finds important

Many organizations publicly develop core values through a consultative or large group workshop process – these are then posted around the organization. As the organization observes these values being practiced by managers and leaders they start to adjust their own behavior and the posted values begin to 'live' within the organization.

Case Examples: Core values

Ministry of Health:

- Dedication
- Professionalism
- Integrity
- Care and Compassion
- Teamwork

Ministry of Environment & Water Resources:

ESPRIT – Excellence, Service, Passion, Respect, Integrity, Teamwork

Source: Singaporean Government Websites

2.5 How will these elements be used later?

Clarification and challenging of the vision and mission is the essential foundation for strategy, but it is not strategy. Clarification is essential to link the FGE's strategy to the overall Federal strategy and to ensure that the vision is also represented in the strategic objectives work step. By articulating the vision, mission and core values, a foundation will have been laid (including developing a common language) to establish the strategic objectives for the FGE.

1. The vision and values will keep the strategy department team focused on the future aspiration and will remind them of the important behaviors to model as they work with the organization in cascading the initiatives
2. As the strategy work progresses to the level of initiatives and activities (explained in chapter 4 and 5), the simplicity of the mission statement should provide the foundation for the strategy department team to challenge initiatives and activities that do not relate to the core purpose of the Federal entity

2.6 What are the key learnings?

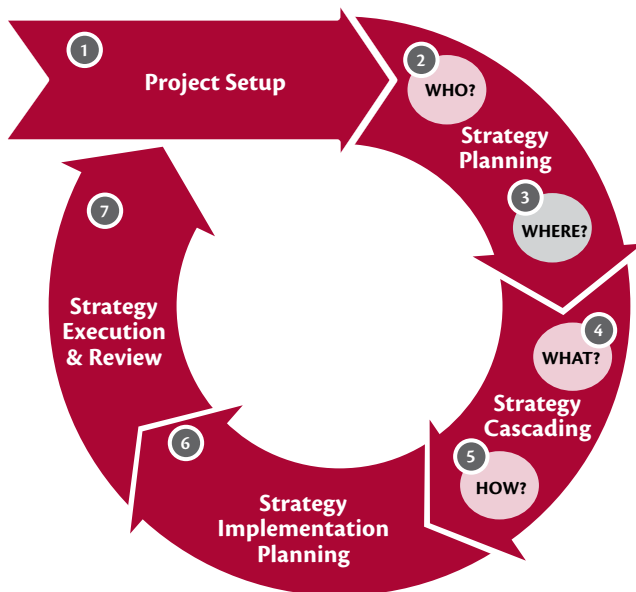
No.	Key Learnings	✓
1	Have we articulated a vision that is simple, time bound, inspirational and clear? Did we seek leadership approval on the vision statement?	<input type="checkbox"/>
2	Have we articulated a short, succinct and understandable mission that clearly outlines our purpose and our 'customers'? Did we seek leadership approval on the mission statement?	<input type="checkbox"/>
3	Have we articulated our core values in a way that reflect how our organization wishes to act with respect to its stakeholders? Did we seek leadership approval on the core values?	<input type="checkbox"/>
4	Have we done external research and internal consultation to bring some fresh ideas into the process?	<input type="checkbox"/>
5	Have we aligned the FGE's vision, mission and core values to the overall Federal strategy?	<input type="checkbox"/>
6	Have we received buy-in from leadership?	<input type="checkbox"/>

Chapter 3

Where – Generating Strategic Objectives and Gaps

The previous chapter clarified the vision, mission and ensured alignment with the Federal strategy, thereby establishing 'Who' the entity is within the Federal Government. After completing the 'Who' phase, the next major step in the strategy development process will be to determine 'Where' the entity needs to go.

This step can be tracked by looking at the 'Where' phase placement in the Strategy Development Cycle shown below:



The 'Where' step establishes a comprehensive set of strategic objectives for the Federal Government Entity (FGE), key success factors (KSFs) and strategic key performance indicators (SKPIs) that measure progress toward each strategic objective. The stage for this objective setting work will be set by completion of a gap analysis against the overall federal strategy, the FGE's vision and mission, as well as international benchmarks.

The work associated with the determination 'Where' the Federal entity needs to go is the subject of this chapter. Manual users can utilize this chapter to guide them as they generate strategic objectives, identify each objective's underlying KSFs, and set SKPIs for their strategic objectives.

As illustrated in the strategy development framework shown later on in this chapter, the gap analysis process informs the strategic objectives setting, which flows from the overall

Federal strategy and FGE's vision and mission. The chapter describes the work steps through discussion of the following:

- **Gaps:** What are the external and internal environmental issues to be considered in setting the strategic objectives?
- **SWOT:** How are the results of the assessments compiled?
- **Strategic Objectives:** How are Strategic Objectives developed?
- **Key Success Factors (KSFs):** What are some of the most important strategic enablers for achieving the strategic objective?
- **Strategic Key Performance Indicators (SKPI):** How to measure progress towards achieving the strategic objective?
- How is the FGE's strategic plan established?
- What are the key learnings?

The definitions for key terms used in this chapter are:

- **External Assessment:** a systematic approach used to uncover external trends (opportunities or threats) affecting the organization
- **Internal Assessment:** a systematic approach used to analyze the entity portfolio and organizational enablers that can help, or inhibit, the achievement of strategic objectives
- **Gap Analysis:** a deficiency identification process completed via the internal and external assessments, which facilitates the strategy department team to identify the obstacles for achieving the strategic objectives
- **Strategic Objectives:** A strategic objective is an outcome that has a direct impact on the community and addresses specific needs and / or interests of UAE citizens
- **Key Success Factors (KSFs):** the most important strategic enablers that are necessary for the organization to realize a strategic objective

- **Strategic Key Performance Indicators (SKPIs):** are outcome based-KPIs that measure performance at a strategic level. These are numeric measurements of outcomes that are developed based on the KSFs and assess the progress being made towards achieving a strategic objective.

The tools introduced in this chapter are:

- **PESTLE:** a tool used for the external assessment by considering the Political, Economic, Socio-cultural, Technological, Legal and Environmental factors influencing the organization
- **Entity Portfolio Assessment:** a tool used to assess the external service provision capabilities (inclusive of policy development)

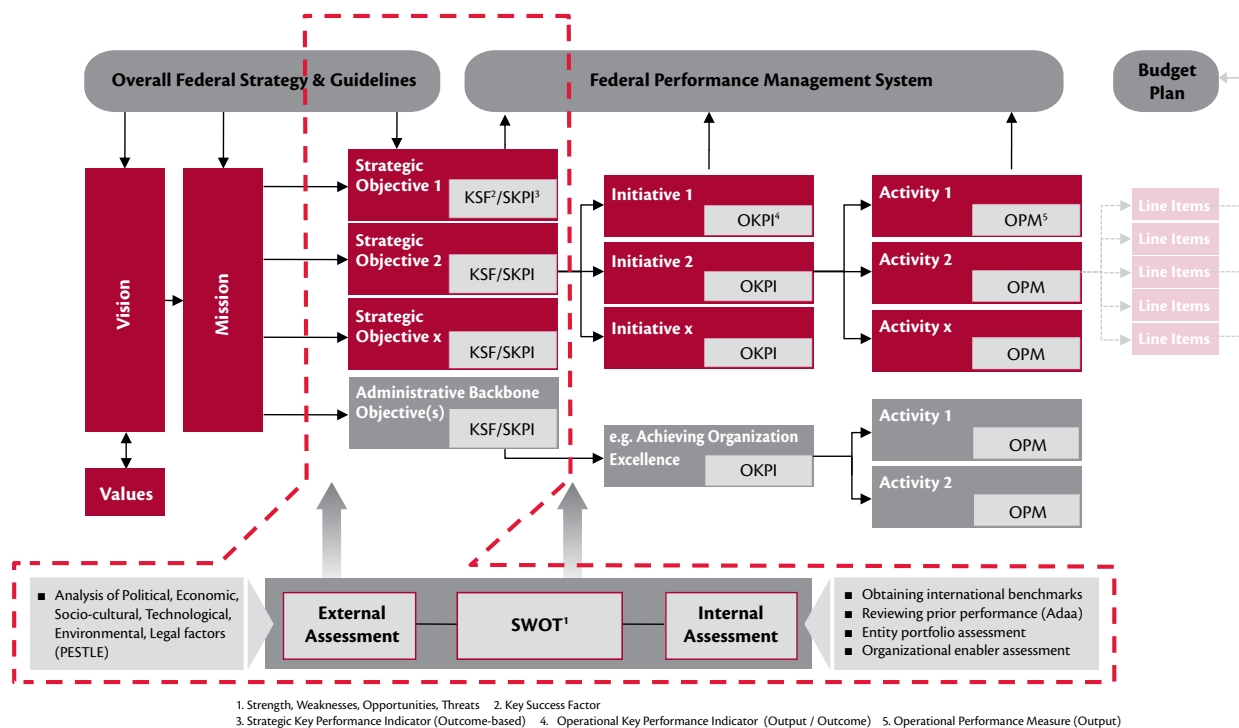
of an organization via clarification of its service offerings, i.e. types of products / scope of services offered, customers served, policies developed, etc.

- **Organizational Enabler Assessment:** a tool used to define the internal capabilities of an organization by assessing internal enablers, i.e. systems and technology, structure, people, shared values and culture, processes and interfaces as well as performance management
- **SWOT:** a summarizing tool used to compile the findings of the external and internal assessments highlighting the organization's **S**trengths, **W**eaknesses, **O**pportunities and **T**hreats

3.1 What is the overarching framework for strategy development?

The strategy development is now progressing into 'Where' the FGE needs to be in order to

achieve the overall Federal strategy and the FGE's vision and mission:



Resulting from the external and internal assessments, the strategic objectives will be developed so as to close identified gaps, progress towards achieving the FGE's vision and mission and fulfilling the FGE's contribution towards the Federal strategy. The KSFs for each strategic objective give additional focus for the subsequent step of developing initiatives (see chapter 4: What – Establishing Initiatives).

1. The process will start via a review of the external and internal environment affecting the FGE. A PESTLE analysis is used for the external assessment (which provides insights into threats and opportunities). The internal analysis (which provides insights into strengths and weaknesses) consists of a comprehensive review of the FGE's entity portfolio and organizational enablers versus the Federal strategy, the FGE's vision and mission, as well as international benchmarks.

2. The results from the internal and external analysis work is then summarized through the application of the **S**trengths, **W**eaknesses, **O**pportunities, **T**hreats (SWOT) framework, which aggregates the key issues from both analyses.
3. Having developed a comprehensive understanding based on the internal and external assessment - summarized in the SWOT - strategic objectives are developed to comprehensively cover the mandate, vision, mission and overall Federal strategy as applied to the FGE. The process for setting strategic objectives is a consultative process and includes a prioritization and comprehensiveness evaluation work step.
4. After finalizing the strategic objectives, the Key Success Factors (KSFs) for realizing each strategic objective need to be determined.

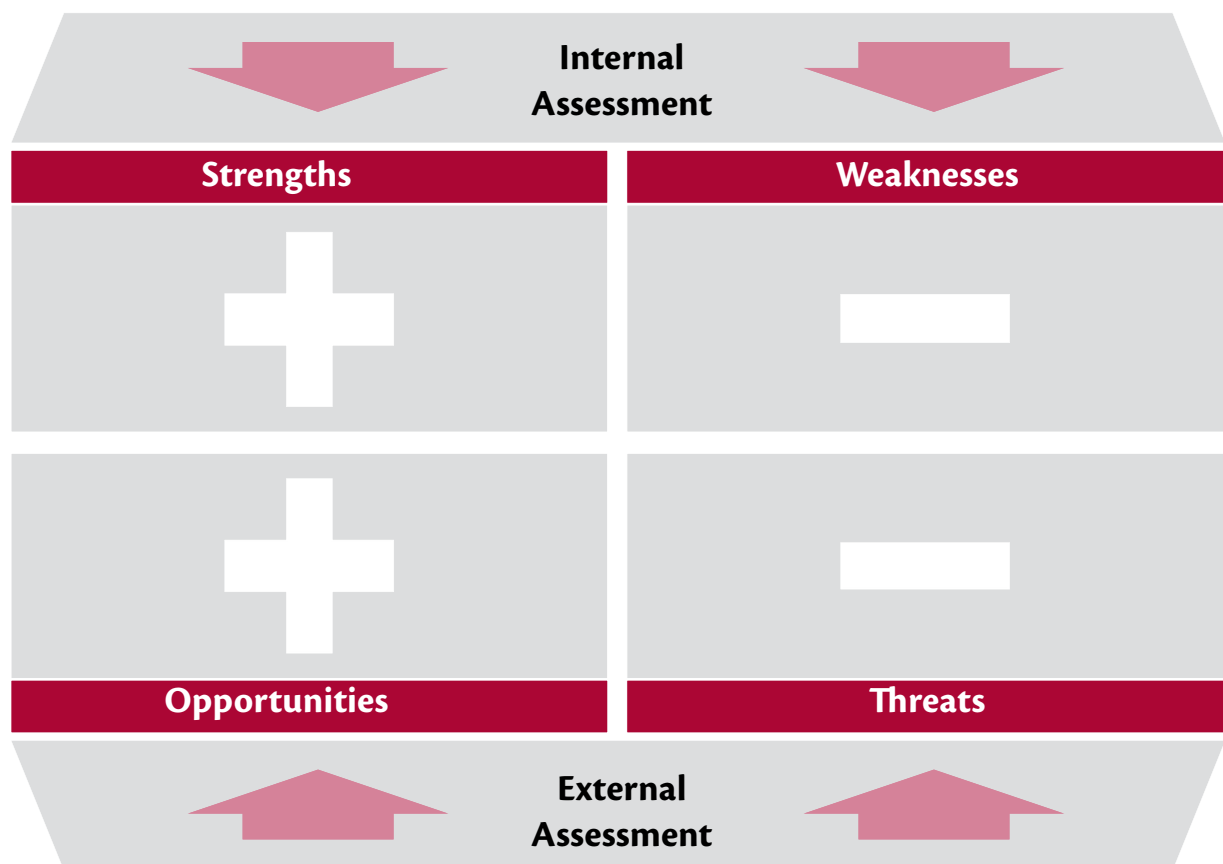
5. The final step will be the setting of the SKPIs that are outcome based measuring indicators that enable tracking of progress towards achievement of the FGE's strategic objectives.

The remainder of this chapter will explain in detail each step of how to generate strategic objectives, KSFs, SKPIs, after conducting the external and internal assessments.

3.2 What are the external and internal environmental issues to be considered in setting the strategic objectives?

The strategy department team will need to complete both an external and internal assessment to develop a common understanding of the entity's environment prior to developing strategic objectives. The external assessment will be done via the use of the PESTLE tool. The

internal assessment will consist of conducting an entity portfolio and an organizational enabler assessment. The result of both, the internal and external assessment, is compiled into a SWOT analysis (see illustration below) from which the critical gaps are identified.



3.2.1 Assessing the external environment

Conducting an external assessment involves performing a PESTLE analysis, a structured process to uncover Political, Economic, Socio-cultural, Technological, Legal and Environmental forces affecting the organization. A PESTLE analysis aims to bring external influences that will impact the organization to the leadership's attention, by assessing issues from these six perspectives.

The research methods to be used during the PESTLE are shown in the Tools and Techniques chapter (e.g. data gathering, interviews). The process is kicked off doing research on worldwide, regional and local events that relate to the FGE's area of responsibility. A desk research (e.g. internet, reports) process might be supplemented by phone or in-person interviews with experts in the organization's field. These might include:

- **External experts/specialists:** these include economists, sociologists and possibly sector experts relevant to the organization that can

give an outsider's perspective on the external environment

- **Representatives and/or reports from international agencies:** these might inform or set the FGE's standards (e.g. for the Ministry of Health, such an agency would be the World Health Organization) by shedding light on various trends
- **Internal specialists:** these include staff members from the organization itself, such as departmental heads or senior advisors

The results from data gathering activities should be organized for background reading and/or developed into a presentation that can be used for a consultative workshop between the strategy department team and key stakeholders. The participants of the workshop will then be able to assess the impact of the external environment as the example below demonstrates.

Case Example: Ministry of Education

The strategy department team within a Ministry of Education is engaged in the process of developing its new strategy for the upcoming 3 years. The first step for the strategy department team was conducting a PESTLE analysis via a consultation workshop with a cross functional team from within the ministry. The purpose of this workshop was to assess the external environment via a combination of brainstorming and data analysis. Select data from this exercise is shown below.

Factor	Issue	Level of Impact	Nature of Impact	Time Frame
Political	<ul style="list-style-type: none"> ■ A decrease in student test scores has led to public outcry and increased demands for educational reform ■ The country wants to join the European Union and therefore it has to adapt to the policies and regulations set by the EU as a requirement 	Medium	Positive	Short Term
Economic	<ul style="list-style-type: none"> ■ Limited increases in government funding likely to limit major investment in new schools or major technology improvements during the next three years ■ The country is experiencing a mini-economic boom, aided by the recent discovery of a new gas field in the southern region of the country 	Medium	Neutral	Short Term
Socio-cultural	<ul style="list-style-type: none"> ■ Student test scores vary across the countries' various regions, with the decidedly poorer regions showing marginally lower scores on test results ■ The country has an ethnically divided population, but test scores are not correlated with ethnic background ■ Growing number of private schools targeting ethnic groups, by promoting need to maintain cultural heritage through educational process 	Medium	Negative	Long Term
Technological	<ul style="list-style-type: none"> ■ Long distance learning programs using classroom monitors to deliver the lessons is a growing application ■ There is a growing industry developing teaching software, thereby expanding the ways to deliver curriculum ■ Businesses are expecting students to arrive into the workforce fully educated on the latest technological applications 	High	Positive	Medium Term
Legal	<ul style="list-style-type: none"> ■ New European Union (EU) health & safety regulations, are being applied to schools, something not anticipated when the standards were being debated 5 years ago 	High	Negative	Medium Term
Environmental	<ul style="list-style-type: none"> ■ During refurbishment of a secondary school last year, low levels of asbestos were discovered, raising concerns for student health 	High	Negative	Short Term

3.2.2 Assessing the internal environment

The internal environment assessment can be broken down into four distinct steps.

The first step in the process is the collection of benchmark information for comparable entities that are considered as global leaders in the FGE's sector and from international entities that are similar in size and nature of service (inclusive of policy development) to the FGE.

When collecting benchmark information, the strategy department team might consider the following types of questions:

- What has been the strategy of these entities?
- What is their scope of services (including policy development) as required by their mandate?
- What services have they stopped performing and why?
- In what areas of service do they have a reputation for exceptional performance?
- What is their organizational structure?
- What makes these organizations better than others?

Such data can either be collected via web research or via input from international experts on the products, scope of services and customer segments of comparable entities. Collection of such insights will help the team understand how other organizations think about their work and how they have evolved their entity portfolio. Please refer to the 'Tools & Techniques' chapter for further information on how to collect data and conduct interviews or focus groups.

The second step is reviewing the prior performance of the FGE via the KPIs. Reviewing these KPIs will provide the strategy department

team with visibility as to performance exceeding or falling short of each KPI's pre-determined targets. However, in order to gain clarity as to the root cause(s) for the KPI results, the team may need to examine the underlying drivers closer.

An example of such an examination may be the strategy department team uncovering that a lack of service offerings is actually the root cause for a high number of customer complaints, or that a lack of career planning is leading to low employee satisfaction. Obtaining such clarity will help identify clear gaps that can then be used not only in the development of strategic objectives but also revisited in the 'What' phase when the strategy department team develops initiatives.

Having obtained benchmark data and examined the results of the relevant KPIs, the strategy department team can now begin an assessment of the FGE's entity portfolio (i.e. services of the FGE, including policy development) and organizational enablers. Articulating the entity portfolio allows for comparison against benchmarks, guidance contained in the Federal strategy, or gaps against the vision and mission. Evaluation of the organizational enablers will help the strategy department team understand how the organizational enablers are working, individually and collectively to support the vision and mission of the FGE and the Federal strategy.

The entity portfolio and the organization enabler assessments should be done through the use of interviews, workshops, or focus groups. These assessments may be done in parallel to reduce time (i.e. multiple interviews, focus groups and / or workshops with the same audience).

When conducting the data gathering, the strategy department team should consider the

following set of questions relating to the entity portfolio:

Entity Portfolio Sample Questions

- Who are your customers, both internal and external?
- What problems do your services solve for each of your customers?
- Do you have different processes to serve different customers?
- What services are outsourced or should be outsourced and why?
- What activity do you not consider to be core work for your FGE?
- Do you consider some activities more important than others?
- Whom do you rely most on to support your core work?
- Are there existing policies that will be impacted by new policy decisions?

These questions will allow the strategy department team to understand whom the FGE considers to be its key customers and to articulate the scope of services (inclusive of policy development) that the FGE delivers to these customers. Customers from a government sector perspective are those individuals and / or enterprises that are beneficiaries of the services provided by government sector entities, e.g.

for the Ministry of Education this would be universities, the labor market or students. Alternatively customers can be direct service providers impacted by the policies developed by public sector entities, i.e. the regulator's customers are the providers of services regulated by the FGE, e.g. for a Telecommunications Sector Regulator these would be the providers of telecommunication services.

The following case example shows the type of outcomes resulting from the entity portfolio assessment:

Case Example: Ministry of Education

A Ministry of Education team conducted an internal assessment via a series of interviews, focus groups and workshops with key individuals from various departments in the Ministry. The purpose of this consultation approach was to determine what factors in the Ministry would help, or hinder, efforts to develop the strategy for the Ministry. Below are the results of the entity portfolio portion of the internal assessment:

Illustrative Only

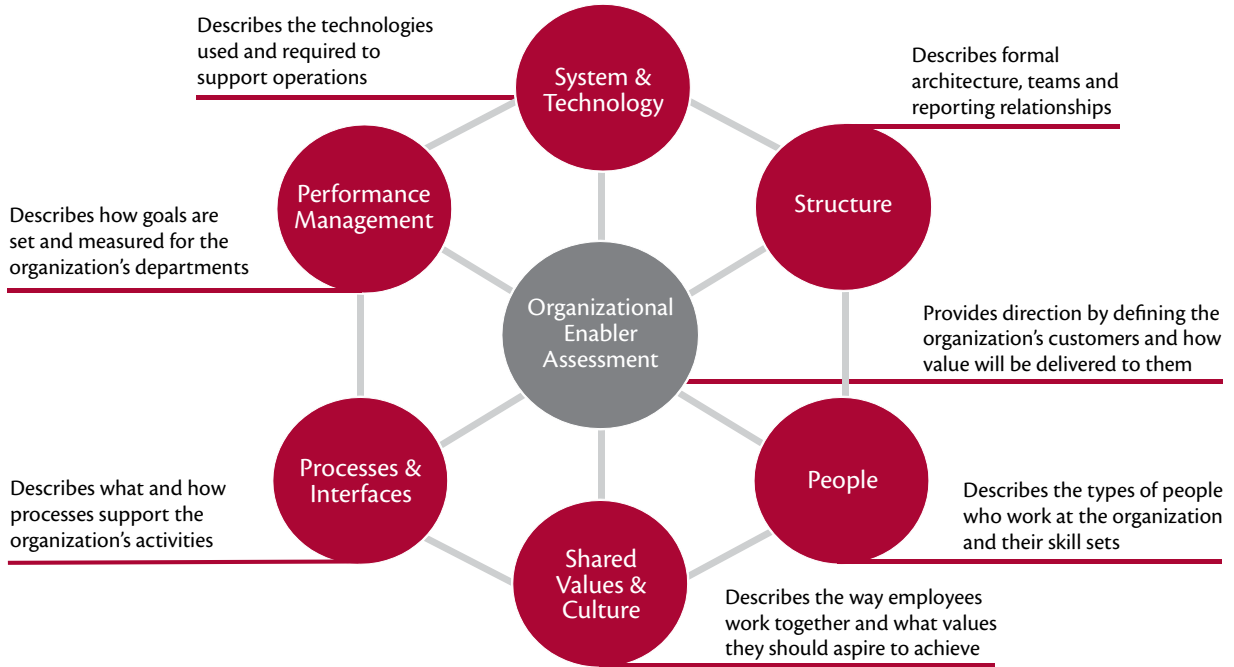
Non Exhaustive

Entity Portfolio Assessment Findings

- The development of educational policies is often done based on limited data and without input from key stakeholders
- The standard of education available at public sector schools is considered below average compared to schools in other countries with in the region
- A recent move to outsource cleaning and hot meal provision has resulted in an improvement and cost reduction of these services
- Residents of small rural communities see public sector schools as providing education as well as serving as social outlets for the public
- Service related to inspection and auditing of private education providers is deteriorating due to higher resource requirements caused by the growing number of private education providers

In parallel to the entity portfolio assessment, the organizational enabler assessment will focus on the six strategy supporting enablers of an organization; System and Technology,

Structure, People, Shared Values and Culture, Processes and Interfaces and Performance Management. Definitions of these six enablers are shown below:



In performing the organizational enabler assessment, the strategy department team is attempting to answer the question: "Can the

organization meet the requirements of the overall Federal strategy and FGE's mandate, vision and mission, given its current capabilities?"

Sample questions to consider for the organizational enabler assessment are shown below:

Organizational Enabler	Sample Questions
System & Technology	<ul style="list-style-type: none"> ■ Does the current IT system sufficiently support the organization? ■ Will the IT system need to be upgraded to support the operations and delivery?
Structure	<ul style="list-style-type: none"> ■ What is the best fit organizational structure to support the vision, mission and overall Federal strategy? ■ What does the structure for international entities similar to this organization look like? ■ Are the roles and responsibilities clearly defined? ■ Are the reporting relationships clearly defined? ■ Does the level of coordination between the departments support the vision, mission and overall Federal strategy?
People	<ul style="list-style-type: none"> ■ Are the skills of the staff sufficient to delivery on the organization's vision, mission and overall Federal strategy? ■ Does the organization have the adequate amount of employees to execute the vision, mission and overall Federal strategy? ■ Will the turnover rate permit the organization to achieve the vision, mission and overall Federal strategy? ■ Are the staffing levels appropriate in every department / function? ■ Will extra training and HR development be required? ■ In what departments / functions are the skills lacking? ■ How effective will leadership be in executing the vision, mission and overall Federal strategy?
Shared Values & Culture	<ul style="list-style-type: none"> ■ Will the organization's culture support the vision, mission and overall Federal strategy? ■ What does the organization need to change in its culture to reach its vision, mission and overall Federal strategy? ■ Does the current leadership style enable the organization to achieve its vision, mission and overall Federal strategy?
Processes & Interfaces	<ul style="list-style-type: none"> ■ Are the operating processes clearly defined? ■ How sufficient are the policies and procedures and to what extent will they support the vision, mission and overall Federal strategy? ■ How well defined are the interfaces within the organization but also with external organizations?
Performance Management	<ul style="list-style-type: none"> ■ Will the existing performance management system support the vision, mission and overall Federal strategy? ■ Is there sufficient measurement and reporting? ■ How well defined are the key performance indicators and do they address the key success factors? ■ What departments / functions did not meet their performance targets last year? And why?

The following case example shows the type of outcomes resulting from the organization enabler assessment:

Case Example: Ministry of Education	
In parallel to the entity portfolio assessment, the strategy department team also conducted an organizational enabler assessment, the results of which are shown below:	
Organizational Enabler Assessment Findings	
System & Technology	<ul style="list-style-type: none"> Current data systems are primarily standalone applications, however, the Ministry is currently implementing a comprehensive student knowledge system and creating integration amongst its core applications
Structure	<ul style="list-style-type: none"> A new organizational structure has been introduced and is designed to focus more on the community school concept, by giving local principals more autonomy
People	<ul style="list-style-type: none"> The Ministry has increasingly good access to highly trained young teachers, who bring new ideas into the classroom Older teachers are increasingly choosing to postpone retirement and are more resistant to changes in the educational process, e.g. not receptive to remote learning applications
Shared Values & Culture	<ul style="list-style-type: none"> The move to more local autonomy and the influences of young teachers is challenging the historical norm of limited change
Processes & Interfaces	<ul style="list-style-type: none"> The move to local autonomy is requiring more emphasis on utilization of policy rather than procedures to ensure adequate control while gaining the benefits of local applications
Performance Management	<ul style="list-style-type: none"> The Ministry has started participating in an international performance data exchange, which is expected to reveal opportunities for improved performance management

Results from the internal assessment exercise (i.e. entity portfolio and organizational enabler assessments combined) will help draw out the main weaknesses as well as the core strengths

in the organization. This will then be used to populate the SWOT analysis which is elaborated in the following section.

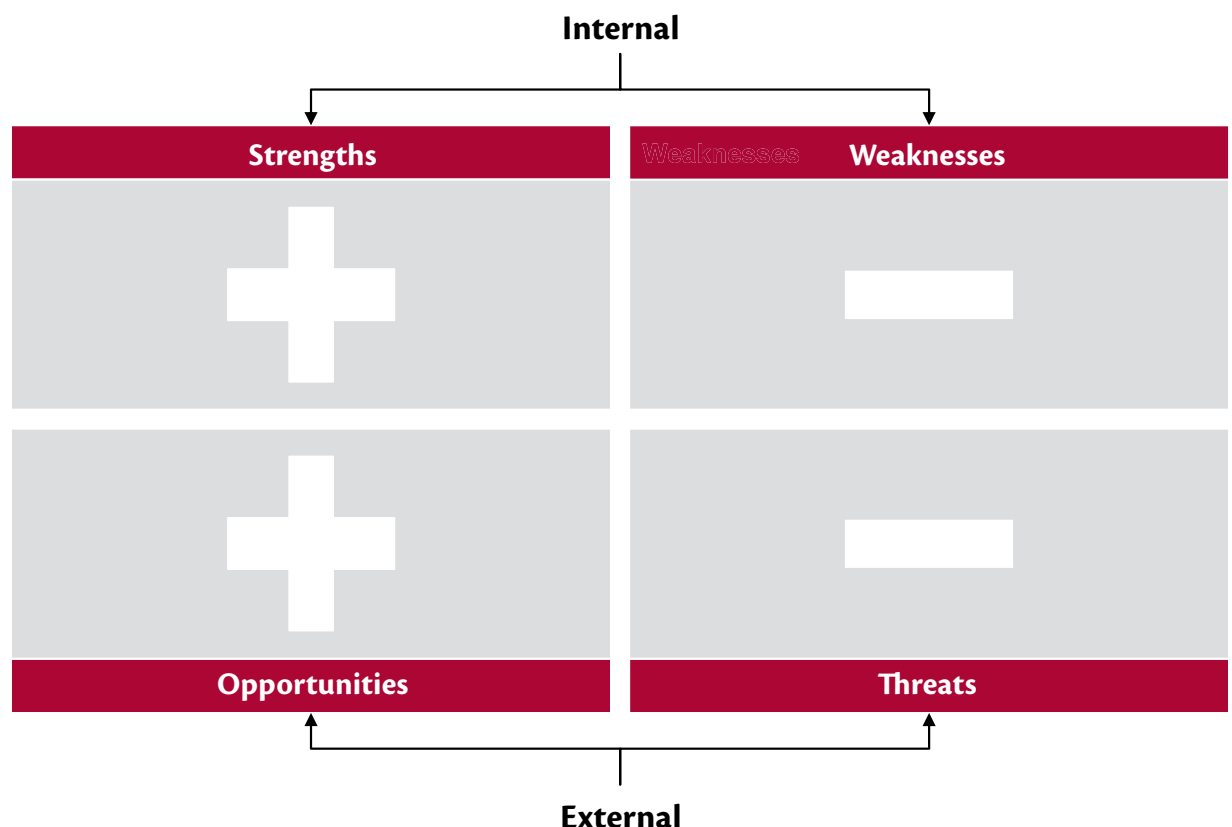
3.3 How are the results of the assessments compiled?

SWOT (Strengths, Weaknesses, Opportunities and Threats) analysis is the means to summarize the internal and external assessments.

A SWOT analysis will consist of compiling and summarizing the relationship between

environmental influences (PESTLE analysis) and internal capabilities. Upon its completion it will form the basis for developing or reviewing new strategic objectives.

The SWOT framework is shown below:



Where the headings represent:

- **Strengths** relate to the internal aspects of the organization (informed by the strengths discovered during the internal assessment); what the organization is doing well with respect to its environment, public reputation, people (skills, knowledge), etc.
- **Weaknesses** relate to what the organization does not do well (informed by the weaknesses discovered during the internal assessment).
- **Opportunities** relate to the political, economic, socio-cultural, technological,

legal and environmental factors that the organization can capitalize on (informed by the external assessment). The aim is to identify circumstances / situations which the organization can take advantage of.

- **Threats** relate to the political, economic, socio-cultural, technological, legal and environmental factors that may have a negative effect on the organization if they materialize (informed by the external assessment).

The strategy department team should use the results of the analysis conducted for the internal and external assessment in the consultative workshops as the foundation for developing the SWOT analysis. The following list of

sample questions can be used by the strategy department team as a guide for extracting information from the internal and external assessments:

Assessment	Factor	Sample Questions to ask
Internal Assessment	Strengths	<ul style="list-style-type: none"> ■ What does the organization do well? ■ What do we do well better than others? ■ What are our unique resources? ■ What do other people see as our strengths? ■ How successful have we been at achieving our past strategic objectives? ■ What were the reasons behind us exceeding our targets historically? ■ How is our organization's reputation regarded externally?
	Weaknesses	<ul style="list-style-type: none"> ■ What can be improved? ■ What are the main gaps? ■ What do people see as our weakness? ■ What should be avoided? ■ Are there other similar organizations doing better? ■ Where are complaints coming from?
External Assessment	Opportunities	<ul style="list-style-type: none"> ■ Where are the opportunities? ■ What are the interesting trends that we are aware of? ■ What can be capitalized on? ■ What should be taken advantage of?
	Threats	<ul style="list-style-type: none"> ■ What are the obstacles to improving performance / delivery? ■ What are the consequences in continuing as we do? ■ What is changing in our environment that will affect us negatively? ■ What are other people doing and how does it impact us? ■ What are the risks associated with achieving our vision, mission and overall Federal strategy? ■ What resource problems do we have?

Case Example: Ministry of Education

Based on the above set of questions, the strategy department team was able to extract strengths and weaknesses from the internal assessment and opportunities and threats from the external assessment:

Non Exhaustive

Strengths	Weaknesses
<ul style="list-style-type: none"> ■ The ministry has a solid core of well trained experienced school principals ■ The curriculum is well established and has performed well in benchmarking against international standards ■ Rural schools are well integrated into the local communities ■ The University education system is well connected to the ministry's secondary school curriculum, making the transition of students into colleges easy 	<ul style="list-style-type: none"> ■ The older teaching staff is very resistant to adoption of new teaching methodologies ■ With a low turnover rate of teaching staff, the energy for change is reduced ■ School building infrastructure is aging, with limited funds available to upgrade for application of the latest classroom flow concepts ■ Internal audits have discovered a lack of complete documentation and record keeping
<ul style="list-style-type: none"> ■ Growing private sector educational providers represent an opportunity to partner as well as to become an income generator for the system ■ Opposition parties inclusion of an education reform pillar as a part of its election mandate represents an opportunity to push for increased funding for utilization of more technology based learning applications 	<ul style="list-style-type: none"> ■ Growing ethnic diversity issues may challenge the autonomy program, if local communities see this as a chance to push cultural heritage issues into public education system ■ Application of EU health and safety standards to schools may require acceleration of the school refurbishment program
Opportunities	Threats

Once the SWOT framework has been populated, the FGE should have a common understanding of the external issues and the internal performance

positioning and can move to the development of strategic objectives.

3.4 How are Strategic Objectives developed?

Strategic objectives for a FGE are clear and concise statements of the high level outcomes that the entity identifies to fulfill the overall Federal strategy and the FGE's vision and mission. Strategic objectives should be **Mutually Exclusive and Collectively Exhaustive** ("MECE" is further explained in the **Tools and Techniques** chapter) in the sense that each strategic objective is a specific outcome that is not duplicated and / or fulfilled by another strategic objective (mutually exclusive). Furthermore the collection of strategic objectives must address the entire organization (collectively exhaustive) and align it towards common targets – that underlie the vision and mission as well as the overall Federal strategy – and therefore align the performance of the entire organization to reaching the vision and mission.

Strategic objectives should be:

- **Relevant:** strategic objectives should tie back to the overall Federal strategy as well as the vision and the mission of the entity
- **Feasible:** achievable with current and planned resources (e.g. capabilities, manpower, budget, etc.)
- **Collective:** strategic objectives that address the FGE's entire vision and mission, the overall Federal strategy and cover every part of the FGE operations and entity portfolio

The external analysis, internal assessment and the international benchmarking should provide a broad enough perspective to allow the strategy department team to move into a strategic objectives development session. Objectives can be developed by the strategy department team in conjunction with the key internal stakeholders of the organization (i.e. senior management and department heads and the key employees) through a focused brainstorming exercise designed to collectively

gather their individual perspectives; or the strategy department team can provide a list of recommended objectives and allow the key internal stakeholders to revise and select from the initial recommendations (refer to the Tools and Techniques chapter for further details on brainstorming).

In conducting these sessions to identify strategic objectives, the focus is on guidelines from the overall Federal strategy as well as the FGE's mandate, vision, mission and the results from the previously conducted gap analysis. The strategy department team will ask workshop participants to list ideas for objectives that relate to the overall Federal strategy. This will keep the link to the Federal strategy flowing and it will help to make the list more comprehensive when completed.

In generating the initial list, the strategy department team and key internal stakeholders doing the work should consider the following (or similar) factors:

- What new elements of the overall Federal strategy must the entity respond to?
- What new customer expectations have emerged since the last strategy cycle?
- What elements of existing service provisions do the customers find most important?
- Are there any particular areas of the organization that are critical for the realization of the vision and mission?
- What are the critical gaps we need to fill (i.e. identified via SWOT analysis)?

The strategy department team's role is to facilitate and manage the session with the key internal stakeholders and to capture the strategic objectives.

For example: in the Ministry of Education workshop, the participants were provided with the FGE's vision and mission, as well as guidelines from the Federal strategy and the results from the previously conducted gap analysis. These are provided below for reference:

Federal guidelines: "Enhance public and private school performance by improving the quality of education and diversity of learning to meet international standards while actively monitoring performance and student achievement."

Vision: "To make world-class education an integral part of society."

Mission: "To ensure the citizens of the country have access to world-class education."

Based on the above critical inputs, the participants brainstormed potential ideas for an objective to promote '**community integrated education**'.

These brainstorming ideas are shown below:

- Allow the principal the same authority as the CEO of a private school
- Allow local communities to add one additional area of study which is important to the local region
- Run a campaign to get local businesses to sponsor learning seminars for students and parents
- Allow schools to set their own school start and end times to accommodate variations in community schedules
- Provide training for parents to become teacher assistants, etc.

Because the focus was on this single 'community integrated education' area, the strategy department team facilitating this workshop was able to see that these thoughts could be restructured into an overarching strategic objective; "**Increase community diversity in schools.**"

In addition, the team also brainstormed ideas for an objective to deliver "**improved outcomes**". These brainstorming ideas are shown below:

- Teach against standardized testing applications
- Computerize the teaching methods
- Test the students every week using teach-ware video applications
- Run tutoring sessions via satellite applications for home learning
- Use self learning programs for older students
- Increase the application of visual aids and hands-on learning for younger students, etc.

In the case of the '**improved outcomes**', the objective might be initially stated as, "Use technology to give students access to different learning perspectives."

But this statement has a 'What' element (use technology) to it; which is not desired at this point because we are still at the strategic objectives step (where we only consider the 'Where' we need to be).

In this case, the proper approach is to hold the "improved outcomes" grouping at the 'Where' level and formulate the strategic objectives accordingly, e.g. "**improve student performance in academic tests.**" The 'What' (i.e. by providing more quality teaching hours) gets moved into the initiatives step (discussed in chapter 4: **What – Establishing Initiatives**).

It is important to be aware of ideas that sound more like 'initiatives' (to be discussed in the What – Establishing Initiatives chapter). Initiatives address 'what' needs to be done to accomplish

a strategic objective. In the above example, the 'sponsoring campaign for local businesses' and the 'teacher assistant training for parents' ideas are both possible initiatives.

As in the above example, when the session(s) are finished, the list of objectives at this stage is often not very specific; the objectives may appear more like 'intentions', or 'ideas'; short phrases rather than specifically formulated strategic objectives. The next important step is to develop a set of words for each strategic objective that will articulate it.

The strategy department team then needs to articulate strategic objectives by looking at the 'intentions' or 'ideas' within the words, turning 'ideas' or 'intentions' into meaningful, clear,

statements of outcomes that are grouped into specific themes.

Best practice for developing objectives is to start with an action verb (e.g. increase the number, promote the awareness, build a relationship, etc.). The next step is to build the sentence with the subject matter being addressed by the objective (e.g. job opportunities, skills and knowledge, etc.). After that the sentence should be finished with some definitional characteristics (e.g. increase job opportunities in educational administration for nationals, etc.).

In examining the previous example, we see that the strategy department team was mindful of the usage of action verbs as well as the integration of the subject matter being addressed in developing potential strategic objectives.

- **"Increase community diversity in schools"**
- **"Improve student performance in academic tests"**

After developing this list of objectives, a critical assessment process should be followed in order to choose the best objectives and transform them into true strategic objectives. This should be a discussion within the leadership team. The below questions should be used as a checklist once the objectives have been developed and prior to final sign off from the senior management of the FGE:

- **Suitability:** How critical is it to the overall mandate?
- **Feasibility:** Can it be implemented given the current or expected budget and resource availability?
- **Acceptability:** Will the key stakeholders support this new strategy?
- **Importance:** How well do these strategic objectives reflect the overall Federal strategy?
- **Exclusiveness:** Do any of the strategic objectives overlap? Is there any duplication with other FGEs?
- **Collectivity:** Do the strategic objectives collectively address every part of the organization?

The 'Collectivity' test is one of the most critical pieces of this work as the strategic objectives must collectively address every function of the organization, or parts of the entity will have

no contribution to the strategy and in theory their purpose or reason for being a part of the entity should be questioned. It is best practice to include a comprehensive objective, such as a requirement to demonstrate best practice performance or excellence in support service (i.e. administrative backbone) delivery for all parts of the FGE to ensure comprehensiveness of the objectives. It is important to note that in general there should be anywhere between 5 - 10 strategic objectives, including the administrative backbone strategic objective.

It is the strategy department team's role to do a series of 'sense checks' – to challenge the short-list of strategic objectives and to bring any gaps to the attention of the leadership. If the strategic objectives are ensured to address every part of the organization, one last check should be conducted to ensure full alignment with the FGE's mandate, vision, mission and overall Federal strategy (refer to the Tools and Techniques chapter for information on Logic Trees which are useful tool for structured thinking).

Once it is ensured that the strategic objectives selected are 'right' to support the vision, mission of the FGE and overall Federal strategy, they should be presented to the Minister or Director General for final sign-off.

3.5 What are some of the most important strategic enablers achieving the strategic objective?

The next step for the strategy department team after setting the strategic objectives is to determine the KSF(s) associated with each strategic objective.

KSFs are strategic enablers that focus the FGE on underlying causes for the strategic objective to be delivered as desired. KSFs tell the FGE departments what the most important strategic

enablers are to ensure realization of the strategic objective. KSFs are critical enablers for realizing the strategic objectives and are used as a thinking tool (refer to the Tools and Techniques chapter for information on Logic Trees which are useful tool for structured thinking) . The following example will also help elaborate on the above explanation of KSFs:

The Ministry of Education discussed in the previous example set a strategic objective of **“improve student performance in academic tests”**. They set a time frame to accomplish this objective, within three years. The ministry measures the outcome at least once a year to see if they are meeting the target. The annual tests tell them the outcome, or where they stand, but they do not tell how to change that outcome.

Ministry officials know from extensive studies that students’ learning is highly correlated to the number of quality teaching hours a student receives. Thus, a KSF is **teaching hours**. Ministry officials also know that the quality of the instruction is a second KSF.

Other KSFs might include **students to teachers’** ratio and the **quality of the curriculum**, etc.

For each strategic objective (including administrative backbone), the strategy department team will dig below the surface and grasp for factors that drive success as explained in the case example above. The team will look beneath the strategic objective and assess the top two to four most important strategic enablers that cause entities to be successful when pursuing the outcomes desired from the strategic objective.

This “two to four rule” is a general guideline. A limit on KSFs for each strategic objective is important to maintain focus on the key elements of the strategic objective. If the objective is too general, causing the strategy department team to have difficulty limiting the number of KSFs, the team may need to return to the previous process and further refine or focus the strategic objective. In other words, if the list of KSFs is too long, then there is a strong likelihood that the strategic objective is not specific enough.

Some guiding questions to determine the KSF for a strategic objective include:

- What is the first thing that must be done well to make this strategic objective happen?
- What is required of our people, systems, operations, etc. to ensure results for this strategic objective?
- What area of the service or project is essential to achieve the strategic objective?
- What one factor will stop this FGE from realizing this strategic objective?
- Are there any benchmarks (local or international) that can be used to determine these factors? What do they tell us?

Key success factors should be:

- **Observable:** things that you can measure, or find some indicator of how they are performing
- **Impactful:** things that will have the largest impact on the fulfillment of a strategic objective

The key success factors will guide the development of initiatives, focusing the work on what is most important in order to realize the strategic objective. Thus, the success of this step will later determine the quality of the initiatives (see chapter 4: **What – Establishing Initiatives**) and ultimately the success for the FGE in achieving the strategic objectives.

3.6 How to measure progress towards achieving the strategic objective?

SKPIs are outcome based indicators used to measure progress towards the delivery of strategic objectives. Other possible SKPIs are

used to measure the outcome of a strategic objective directly. The following example helps clarify the process of selection of SKPIs:

As we saw in the example in the previous section, the Ministry of Education set a strategic objective of **"improve student performance in academic tests"**.

Based on extensive studies the ministry was able to determine that student learning is highly correlated to the number of quality teaching hours a student receives and the quality of instruction. Thus, the ministry developed the following SKPIs:

- **Average number of hours taught per teacher**
- **% of teachers with advanced degree in education**

Ongoing measurement of the above SKPIs allowed the ministry to track progress towards 'achieving its strategic objective of **"improve student performance in academic tests"**'. Another outcome based SKPI that will directly measure the progress towards fulfilling the Strategic objective:

- **Average Student Test Score in Academic Test (%)**

Having assigned SKPI's, the strategy department team should next work with the FGEs senior management to assign owners for each strategic objective. These individuals will be responsible

for managing the successful delivery of the strategic objective by monitoring performance via the SKPIs.

3.7 How is the FGEs Strategic Plan established?

Once the strategy department team in the FGE has developed the strategic objectives, they need to consolidate the output into the strategic plan template to be submitted to the Cabinet. In order to maintain a common structure and to get approval from the Cabinet, each FGE's strategic plan has to contain its vision, mission, core values, and SWOT in adherence to the

template which contains the following elements:

- Strategic Objectives
- Strategic Key Performance Indicators (SKPIs)
- Current SKPI Results (if available)
- Annual SKPI Targets

#	Strategic Objective	Strategic Key Performance Indicator (SKPI)	Current Level	Annual Target		
				2011	2012	2013
1						

3.8 What are the key learnings?

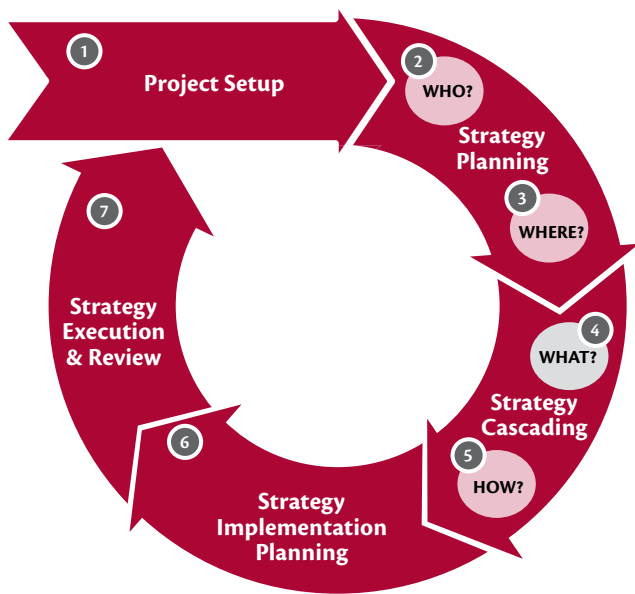
No.	Key Learnings	✓
1	Have we looked “outside” to ensure that the PESTLE represents a broad view of the external world?	<input type="checkbox"/>
2	Have we collected benchmark information for comparable entities?	<input type="checkbox"/>
3	Have we reviewed the relevant KPIs from previous performance for the FGE?	<input type="checkbox"/>
4	Have we completed a thorough analysis of the entity portfolio?	<input type="checkbox"/>
5	Have we performed a comprehensive organizational enabler assessment?	<input type="checkbox"/>
6	Have we compiled the results into a SWOT?	<input type="checkbox"/>
7	Have we chosen a comprehensive list of strategic objectives which collectively addresses the entire organization?	<input type="checkbox"/>
8	Have we defined a sound list of key success factors for each of the strategic objectives?	<input type="checkbox"/>
9	Have we identified strategic key performance indicators to measure the progress towards strategic objectives?	<input type="checkbox"/>
10	Have we assigned owners for each strategic objective?	<input type="checkbox"/>

Chapter 4

What – Establishing Initiatives

The strategic objectives to describe ‘Where’ the FGE needs to be are now established through the ‘Where’ steps outlined in the preceding chapter. The next step is to develop ‘What’ must be done in the form of initiatives that will deliver each strategic objective’s key success factors (KSFs), a process that is outlined in this chapter of the manual.

We track this step by looking at the placement of the ‘What’ phase in the Strategy Development Cycle shown below:



In this chapter the user will progress through the steps for the development of initiatives to ensure the delivery of the KSFs for the strategic objectives. The steps in this chapter will include brainstorming initiatives, identifying, choosing and defining the initiatives for each strategic objective.

This chapter starts by introducing an overarching framework for strategy development and then answers the all important question, “What initiatives are required for the FGE to ensure accomplishment of the strategic objectives?”

The chapter approaches this problem by discussing the following:

- How to develop departmental initiatives?
- How to identify entity level initiatives?
- How are initiative process owners identified?
- How to consolidate and finalize FGE initiatives?
- What are the key learnings?

The definitions of some of the key terms used in this chapter are outlined below:

- **Initiative:** an initiative is a grouping of activities that is formulated by a FGE to deliver a specific strategic objective. The initiative measurement can be an output or an outcome that contributes to the fulfillment of a key success factor (KSF) for the specific strategic objective.
- **Departmental Initiative:** a departmental initiative is an initiative that is in place to close a gap(s) that will benefit a singular department.
- **Entity Initiative:** an entity initiative is an initiative that is in place to close (a) gap(s) that exist(s) across multiple departments. Addressing gaps via an entity initiative should benefit more than one department, or even the entire FGE.
- **Critical Assessment Process:** an evaluation of potential initiatives, assessing them for ‘impact’ and ‘ability-to-implement’ to prioritize the initiatives, so that the most strategic ones are progressed to implementation.

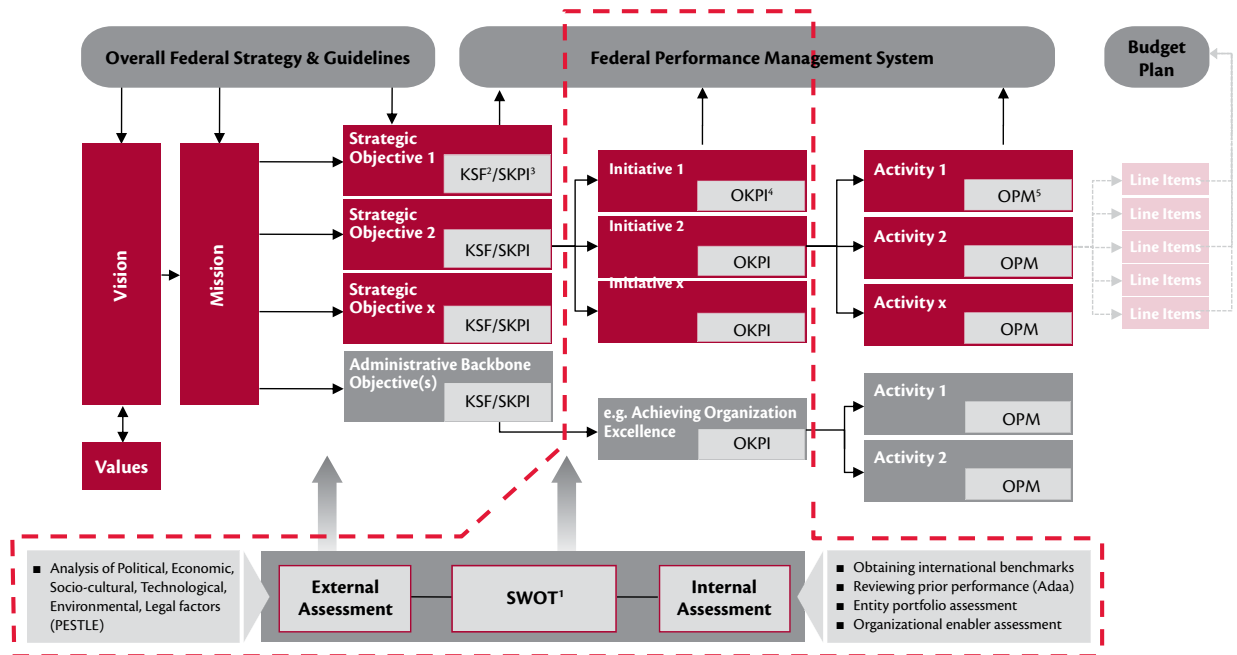
The tools introduced in this chapter are outlined below:

- **Prioritization Matrix:** A tool used to assist the strategy department team in prioritizing and selecting the initiatives according to their ‘impact’ and ‘ability-to-implement’

4.1 What is the overarching framework for strategy development?

The strategy development is now progressing into 'What' must be done in the form of initiative development which follows the setting

of strategic objectives, KSFs and SKPIs and leads to the definition of activities (described in the next chapter).



1. The process will start with the brainstorming of department level initiatives around the KSFs for each strategic objective. As a part of the brainstorming exercise, the previously conducted SWOT analysis is also revisited, to look for issues that may require definition of an initiative. This brainstorming exercise will be conducted by the strategy department team through workshops in conjunction with the departments within the FGE.
2. Next, the departmental initiatives are prioritized for strategic impact and ability-to-implement to match department level initiatives timing with resource availability.
3. Given that that the departmental work will have uncovered many initiative ideas that involve multiple departments (cross-organizational initiatives) or are of such criticality that they will require top-level management attention, next, the strategy

department team identifies initiatives on the entity level. To do so, the team will follow a similar process as for departmental initiatives (i.e. steps 1 through 2 above).

4. Last the strategy department team consolidates all the initiatives, proposes initiative process owners and presents the prioritized initiatives per strategic objective for leadership approval. At this stage, the FGE's senior management will approve the final list of initiative for the FGE as well as the owners for each initiative.

The remainder of this chapter will explain in detail each step for developing initiatives for each strategic objective. The relevant Operational Key Performance Indicator (OKPIs) used to measure the progress of initiatives will be discussed in the next chapter. The below example of a Ministry of Education, illustrates the process.

Case Example: Ministry of Education

A Ministry of Education licenses private providers of Kindergarten -12th Grade schools and manages a K-12 public school system. The Ministry has established strategic objectives and KSFs. Their three strategic objectives are:

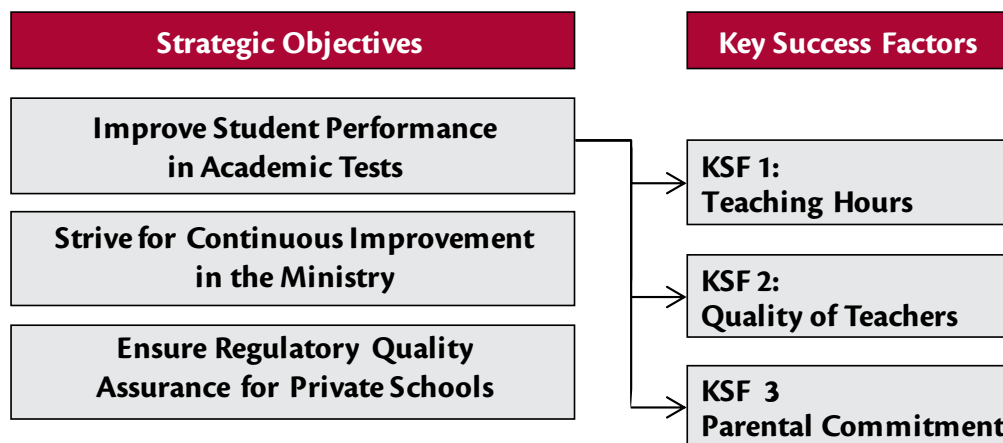
1. **Improve Student Performance in Academic Tests:** to raise average student standardized test scores.
2. **Strive for Continuous Improvement in the Ministry:** to ensure that all functions in the organization can demonstrate continuous improvement and competitive performance.
3. **Ensure Regulatory Quality Assurance for Private Schools:** to ensure that private school providers are in compliance with their licensing charters and deliver educational services to the standards they advertise.

For simplification reasons this example will continue using the first strategic objective: **Increase Student Performance in Academic Tests**. The identified KSFs are:

1. **Improve Student Performance in Academic Tests:**
 - **KSF 1:** Teaching Hours
 - **KSF 2:** Quality of Teachers
 - **KSF 3:** Parental Commitment

The strategic objectives and KSFs (for the 'increase student performance in academic tests' strategic objective) are shown in the overview below:

Case Example: Ministry of Education



Note: the above visual reflects an example of how to start the development a Logic Tree. For more information on developing Logic Trees, please refer to the 'Tools and Techniques' chapter in the appendix.

4.2 How to develop departmental initiatives?

Once the strategic objectives and key success factors are established for the FGE, the initiative development process can move to the departmental level. In order to include departments in initiative development and get a true bottoms-up view of initiatives required, the strategy department team should conduct workshops with department heads as well as key individuals from each department.

The purpose of a departmental workshop is to present the FGE's top level strategic plan to the department, identify departmental initiatives required to support the FGE's strategy, prioritize these initiatives, and assign ownership for initiative execution. Depending on the size of the FGE and its various departments, different approaches to conducting the workshops may be feasible. Potential options are:

- One workshop per department
- One workshop per group of departments (e.g. Directorate)
- One workshop per geography (e.g. Abu Dhabi, Dubai, etc.)

The decision on the best and most efficient workshop approach for obtaining input from the departments should be taken by the FGE and its strategy department team. In the case of large FGEs, it may decide to have several departments in a single workshop.

The workshop process steps are shown below:

1. The first step is to present the FGE's strategic plan as developed (vision, mission, values, link to Federal strategy, SWOT, strategic objectives, KSFs and SKPIs). This will build awareness and help the key individuals within the department link their work to the 'big picture'. Revisiting

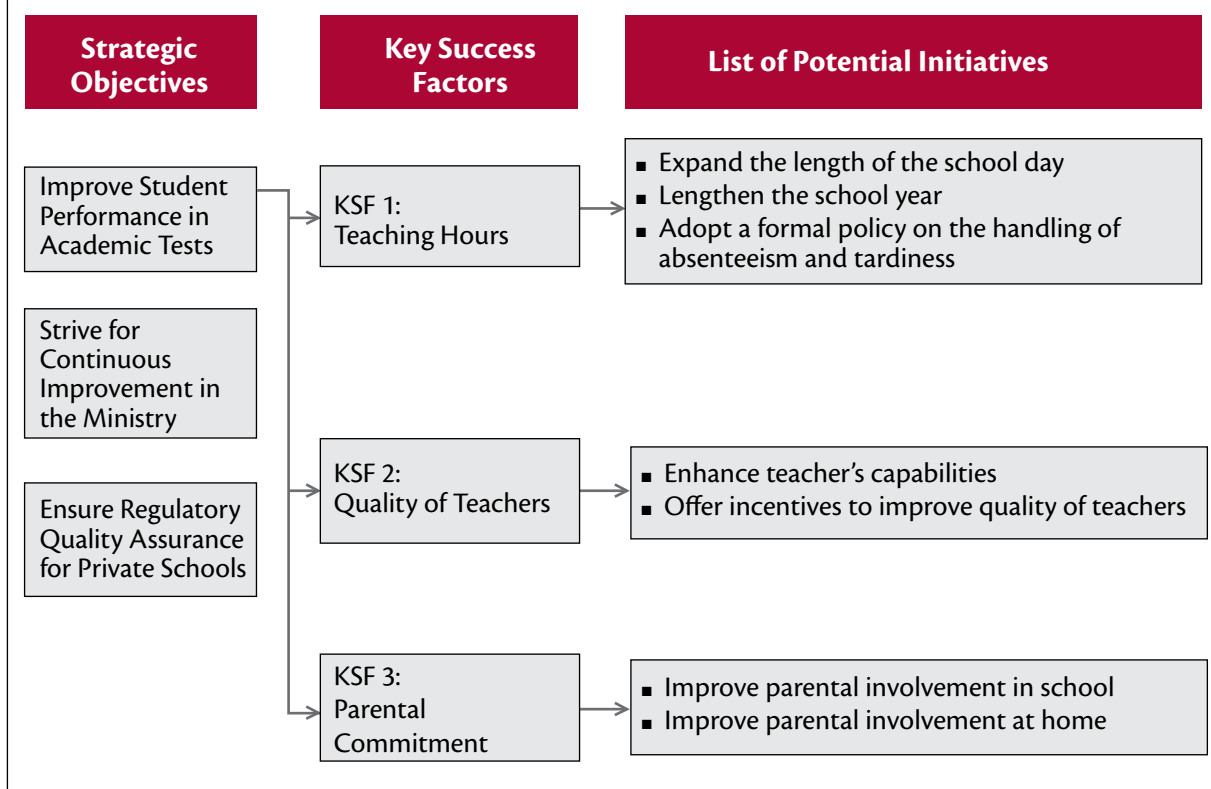
the SWOT analysis (developed in chapter 3 – **Where - Generating Strategic Objectives and Gaps**) is specifically helpful in highlighting issues that may require definition of an initiative by the department.

2. Working with each strategic objective, next, the link between the departmental scope of services and each KSF has to be established by answering the question, "what does the department do to support this objective or each of its KSFs?"
3. Next, departmental initiatives have to be brainstormed by answering the following questions:
 - What does the department need to do differently in order to achieve the strategic objective?
 - What additional scope of services and policies might the department provide to ensure delivery of each KSF?
 - What else could the department put in place, improve or change to deliver each KSF?
 - Are there ongoing initiatives developed during a previous strategy review which need to be integrated into the list (i.e. because they are supporting a KSF)?

By answering the above questions, the group should be able to generate a complete list of ideas for initiatives. This list might contain a large number of initiatives, but they will be prioritized in order to ensure the most important and impactful initiatives are executed first. An example from the Ministry of Education is shown below:

Case Example: Ministry of Education

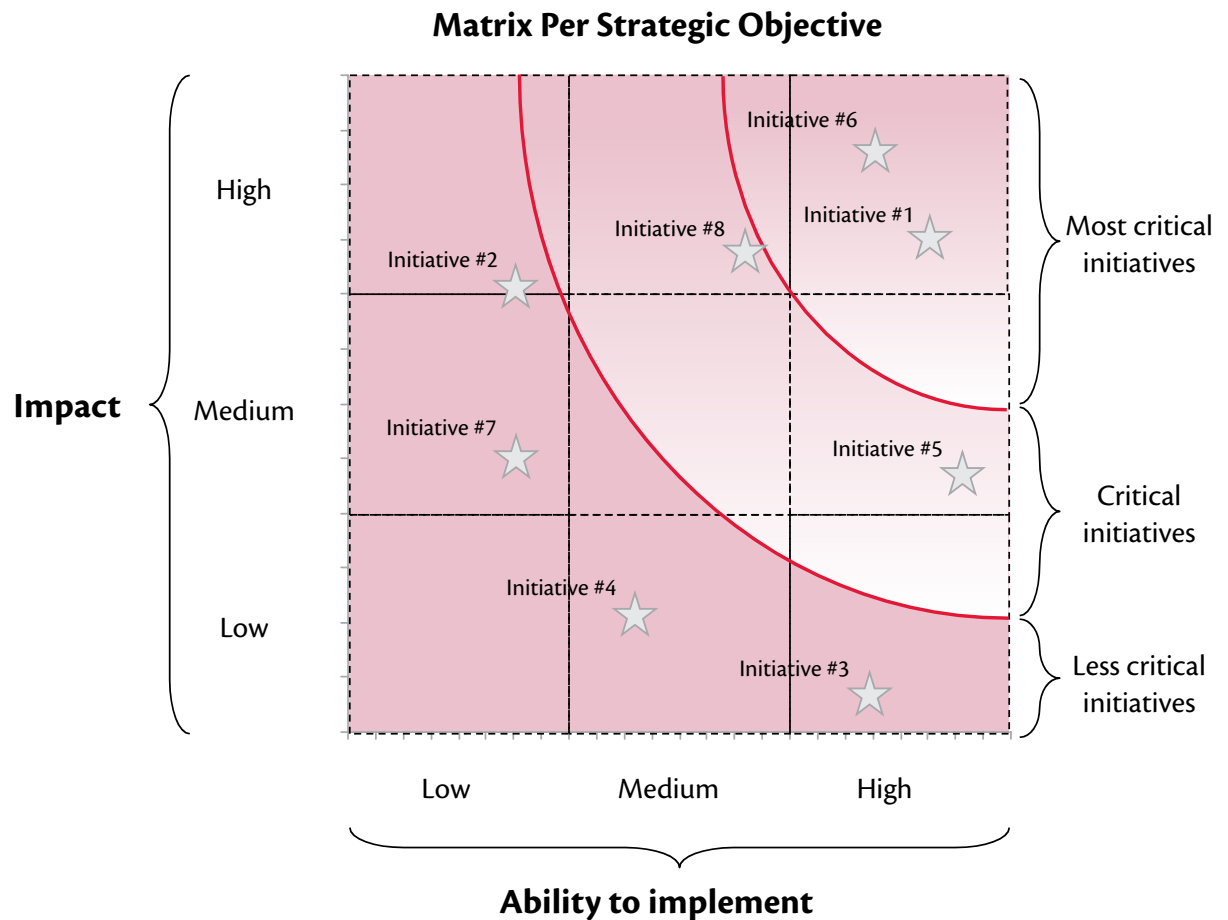
A group of sector managers and key individuals from the school operations department at the Ministry of Education decided to brainstorm **potential initiatives** associated with the three KSFs for the Ministry's strategic objective aimed at **Improve Student Performance in Academic Tests**:



(Note: in the process of generating ideas for departmental initiatives, the strategy department team may find initiatives that address gaps or issues that are cross-organizational in nature. The strategy department team should make a note to revisit these initiatives when they identify entity level initiatives - discussed in section 4.3).

- Then, taking the list of initiatives for each of the strategic objectives, the departmental team should prioritize this list by doing an assessment of potential departmental initiatives for **ability-to-implement**

and impact against individual strategic objectives. The process starts by the positioning each initiative on a 3/3 matrix (see example shown below) based on the initiatives' perceived impact and the FGEs ability to implement the initiative. The 'impact' element of the matrix determines the influence of the initiative towards the fulfillment of the Strategic Objective. The 'ability-to-implement' element of the matrix determines the feasibility of the initiative in terms of available resources available to the FGE.



This first cut at sorting should be followed by a 'relative sorting' process by the team. Relative sorting is the act of looking at initiatives relative to one another and adjusting them along either or both the impact or ability-to-implement axis. This process should continue until a general consensus by the participants is reached as to their relative placement.

The process should result in the sorting of the

initiatives into a list of the most critical, critical and less critical ones. This prioritization will allow the department to develop a phasing approach to initiative implementation, where available resources can be matched to the initiative workload. It is important to note that the prioritization is subject to change once the consolidated list of initiatives is presented to senior management for their approval.

4.3 How to identify entity level initiatives?

The departmental initiatives identified in the previous step provide a basis for the strategy department team to internally generate entity level initiatives. This is possible given that the departmental work will have uncovered many initiative ideas that involve multiple departments or are of such criticality that they will require top-level management attention.

The strategy department team will consolidate a list of the entity level initiatives by working through the following process steps:

1. The strategy department team should review all of the departmental initiatives that have been developed through the workshops to look for the following:
 - Initiatives that address gaps or issues that are cross-organizational in nature.
 - Initiatives suggested by several departments that are similar in nature and will benefit from economy of scale effects (e.g. generic training initiatives, etc.)
 - Initiatives that may have impact on other FGEs, such as initiatives to share services or integrate customer service points with other FGEs (e.g. using immigration offices for issuance of e-gate card)
2. Then, the strategy department team should consider if the list of departmental initiatives will fully address the KSFs for each strategic objective and brainstorm initiative ideas to ensure comprehensive coverage of each strategic objective.
3. Having revisited the SWOT, the strategy department team next looks at existing or ongoing entity level initiatives resulting from past strategic reviews; evaluates their progress and future impact on the strategic objectives. These ongoing initiatives will need to be integrated with the general list of initiatives for the final prioritization exercise, as the new strategic objectives may change their importance. Initiatives that have no direct linkage to the strategic objective should be reconsidered.
4. Then, working strategic objective by strategic objective, i.e. individually for each strategic objective, the strategy department team should conduct an impact versus ability-to-implement assessment for competing initiatives, as described in step 4 of section 4.2. The process should result in the sorting of the entity initiatives into a list of the most critical, critical and less critical ones. This prioritization will allow the strategy department team to develop a phasing approach to entity level initiative implementation, so that available resources can be matched to the initiative workload.

4.4 How are initiative process owners identified?

Process owners for initiatives are individuals accountable for the successful delivery of an initiative. Initiative process owners are also responsible for monitoring and tracking progress, identifying and removing bottlenecks to progress and recommending actions to overcome impediments to the initiative's success. The final decision of initiative ownership will ultimately be with the leadership of the FGE.

Determining initiative process owners for departmental initiatives given that the department is the one expected to accrue

benefits resulting from the initiative, the senior management, or an individual from within the department, is the person most likely to be responsible for the initiative. However, in some instances senior management may decide that it is best to have someone from outside the department take ownership of the initiative.

In the case of an entity level initiative, the process is a bit more complex and requires senior management buy-in and approval because the initiative will have cross-organizational implications or multiple stakeholders..

For example, a training initiative to enhance leadership skills (i.e. for leaders within a Ministry of Education), may assign the human resources department head as process owner since the initiative will impact all leaders' positions within the organization. Thus the human resources department would need to coordinate and lead the execution of the initiative. However, many other departments may contribute to the initiative; from the curriculum department which might write the scope of work for the training, to a training company, etc.

In determining the tentative initiative process owner for entity wide initiatives, the strategy department team should consider the following questions:

- What is a key functional requirement for this initiative?
- What are the most important activities contributing to the success of this initiative?
- Where in the organization do the most critical activities get done?

An outcome from answering these questions may be that the department head (or an individual from within the department) undertaking a large percentage of the activities required for delivering the initiative would be the ideal initiative process owner. Alternatively,

the strategy department team may find that a particular department may not be undertaking a large percentage of the activities but its activities are so critical to the successful execution of the initiative that this particular department head (or an individual from within the department) is the most logical choice as initiative process owner.

Furthermore, in order to manage the consolidated list of departmental and entity initiatives and map the activities back to each of the departments, the strategy department team should compile a matrix of initiatives linked to the departments within the FGE. The matrix will highlight the process owner for each initiative. This will show the strategic focus for each department in a single picture.

An example of an initiative matrix is shown below:

	Department 1	Department 2	Department 3	Department 4	Department 5
Strategic Objective 1					
Initiative 1.1					E
Initiative 1.2	D				
Initiative 1.3		D			
Initiative 1.n				D	
Strategic Objective 2					
Initiative 2.1			E		
Initiative 2.2			D		
Initiative 2.3					D
Initiative 2.n		D			
Strategic Objective n					
Initiative n.1					D
Initiative n.2					
Initiative n.3	E				
Initiative n.n				D	

E = Entity Initiatives D = Departmental Initiatives

The matrix shows the involvement of the departments in the initiatives and embeds responsibility for delivery into the organization.

The last step in the process is presenting the strategy department team's recommendations

for initiative process owners on entity level to senior management for final approval. This is done once the initiatives have been consolidated, which is topic of the next section.

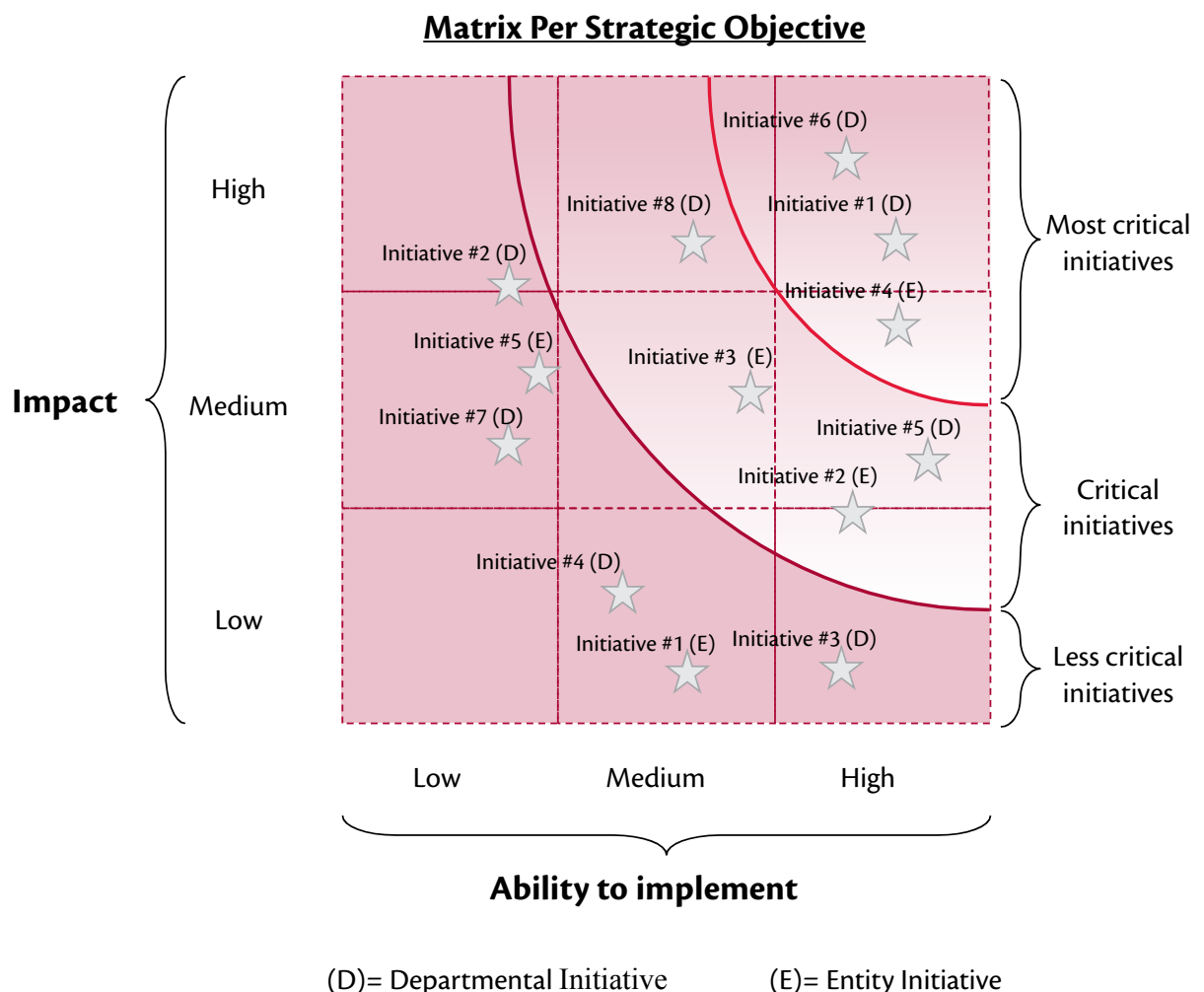
4.5 How to consolidate and finalize FGE initiatives?

The strategy department team now has a comprehensive list of initiatives covering both the department and entity level requirements to implement the strategic objectives. These lists will need to be merged and prioritized for final approval by the FGE's senior management. This consolidation exercise will ensure the strategic plan is comprehensive and that senior management has final say on the prioritization of the initiatives.

The first step when consolidating is to ensure

comprehensive coverage, e.g. do all of the KSFs have initiatives and do all of departments have critical or most critical initiatives? (As a general rule the FGE should aim to have 2-3 initiatives per KSF; however, it is recommended that there be no more than 10 initiatives per objective)

Then, for each of the strategic objectives, a merged (departmental (D) and entity (E) level) list of initiatives should be plotted on the strategic impact and ability-to-implement matrix (shown below).



The final step of this ‘What’ stage of strategy planning is for the senior management in the FGE (e.g. Minister or Director General) – to sign-off on the prioritized initiatives.

After agreement from the FGE’s senior management on the most critical and critical initiatives to pursue and confirmation of the initiative process owners, the initiative process owners will work with the departments within the FGE to identify and define the activities

needed to execute the initiatives, estimate timing, select owners for the activities. In addition, the initiative process owners and FGE departments will also assign Operational Key Performance Indicators (OKPIs) to measure the performance of initiatives and operational performance measures (OPMs) to measure the performance of activities. (This is the subject of the next chapter.)

4.6 What are the key learnings?

No.	Key Learnings	✓
1	Have we developed a summary of the strategic plan from vision through strategic objectives to share with the departments?	<input type="checkbox"/>
2	Have we developed, with each department, prioritized initiatives for each strategic objective?	<input type="checkbox"/>
3	Have we compiled a list of potential entity level initiatives from the departmental working sessions?	<input type="checkbox"/>
4	Have we looked at ongoing initiatives from the previous strategic cycle as part of the departmental and entity level activities?	<input type="checkbox"/>
5	Have we developed a list of entity level initiatives?	<input type="checkbox"/>
6	Have we assigned initiative process owners for the initiatives?	<input type="checkbox"/>
7	Have we consolidated the departmental and entity-level initiatives?	<input type="checkbox"/>
8	Have we presented the prioritized initiative list to senior management and got their sign off?	<input type="checkbox"/>

Chapter 5

How – Providing The Details Towards An Initiative

The leadership of the FGE has decided on 'Where' it needs to be (strategic objectives) and 'What' initiatives are to be implemented to achieve its vision and strategic objectives. In this chapter the focus is on 'How' this initiative work will get accomplished by the organization, breaking down each initiative into activities for departmental implementation.

This step can be tracked by looking at the placement of the 'How' phase in the Strategy Development Cycle shown below:



This chapter clarifies the steps to cascade the responsibility for implementation of the strategic objectives into the organization's departments by assigning Operational Key Performance Indicators (OKPIs), identifying the activities for the initiatives, assigning the activities to owners,

developing time and resource estimates for each activity and finally developing operational performance measures (OPMs).

This chapter answers the all important question, "How is responsibility for doing the activities transferred into the working levels of the organization?" The chapter approaches this process step by discussing the following:

- How are operational key performance indicators developed?
- How are initiatives broken down into activities?
- How are activity time and resource estimates developed?
- How are operational performance measures developed?
- How is an initiative charter created?
- What are the key learnings?

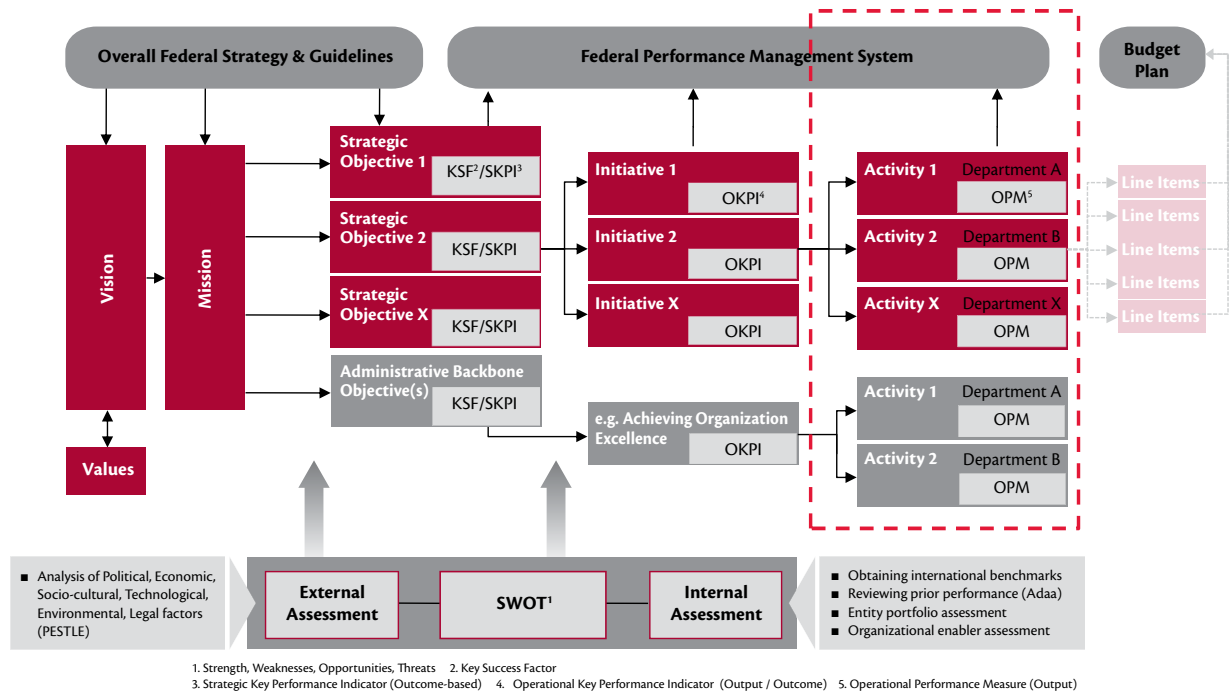
The definitions of some of the key terms used in this chapter are described below:

- **Operational Key Performance Indicators (OKPIs):** are set at the initiative level and may be output KPIs or outcome KPIs, depending on the nature of the initiative.
- **Activities:** are tasks which, when grouped together, constitute an initiative. Activities are formulated by a FGE, based on its strategy.
- **Operational Performance Measures (OPMs):** a measurement that represents how well activities are being performed.

5.1 What is the overarching framework for strategy development?

Activities flow out of the initiative development process. The identification and assignment

of activities associated with the initiatives is the method of embedding the strategy in the organization.



The prioritized list of initiatives was agreed during the final step of the 'What' process. Next, department and entity initiatives which have been prioritized as most critical and critical (refer to the 'What' chapter to additional details), are assigned OKPIs, broken down into activities, assigned activity owners, assigned estimated timing and resource requirements for activity execution and assigned OPMs for measuring activity performance. The activities represent 'How' the initiatives will be implemented and the OKPIs and OPMs represent 'How' the performance of the initiatives and activities will be measured.

Each of the steps necessary for cascading the strategy requires input from the departments. It is the responsibility of the strategy department team to prepare initiative process owners to

execute each of these steps via input from the FGE departments; however it is the responsibility of the initiative process owners to actually execute the steps necessary for obtaining departmental input. The below steps can be done via a workshop with initiative process owners to brief them on the process of gathering the departmental input necessary.

1. The first step is to develop OKPIs in conjunction with the initiative process owner so that the progress of initiatives can be monitored
2. The second step is to breaking the initiative down into activities, assigning activity owners, estimating timing for activity execution, determining the required resources (human capital and financial resources), and defining OPMs to measure activity execution.

3. The third step, is for the initiative process owners and FGE departments to identify OPMs for each activity
4. The fourth and final step is for the initiative process owner to populate an initiative

charter template that will include all details relating to the initiative.

The remainder of this chapter will explain in detail these steps for cascading the initiative responsibility into the organization.

5.2 How are Operational Key Performance Indicators developed?

For the most critical and critical departmental initiatives, the initiative owner needs to ensure that their implementation can be monitored. This is done through the establishment of OKPIs.

OKPIs can typically measure either outcomes or outputs. Outcomes are the impacts on the

community as a result of initiatives undertaken. It follows naturally that strategic objective are measured on outcomes achieved, as an indicator of their effectiveness. Outputs flow directly from the work federal entities do. They constitute the direct result of a certain activity.

For example, OKPIs for an initiative to **'enhance teacher's capabilities'** (taken from KSF 2 and named "Teacher Training Initiative") are:

- OKPI 1: % of existing teaching staff passing international certification examination within two years
- OKPI 2: % of teachers with graduate degrees after two years

OKPIs can be developed for the recommended initiatives by answering the following questions:

- What can we measure to know that the initiative is progressing as planned?

- How will we know that the initiative is having the impact we desire from it?

5.3 How are initiatives broken down into activities?

Initiatives should be broken down into activities by the initiative process owners in conjunction with the FGE departments. However, prior to execution of this process by the initiative process owners, the strategy department team needs to guide the initiative process owners on the

process they should follow. In order to provide this guidance, the strategy department team should conduct a workshop with the initiative process identified in the 'What' chapter. Below is a sample of the initiative matrix developed in the previous chapter

	Department 1	Department 2	Department 3	Department 4	Department 5
Strategic Objective 1					
Initiative 1.1					E
Initiative 1.2	D				
Initiative 1.3		D			
Initiative 1.n				D	
Strategic Objective 2					
Initiative 2.1			E		
Initiative 2.2			D		
Initiative 2.3					D
Initiative 2.n		D			
Strategic Objective n					
Initiative n.1					D
Initiative n.2					
Initiative n.3	E				
Initiative n.n				D	

E = Entity Initiatives D = Departmental Initiatives

Once the initiative process owners have been briefed on the input required from the FGE departments (as described in the remainder of this chapter), the first step is for them to identify the departments that will need to

perform activities in order to execute the initiative. Below is a sample of an initiative matrix once an initiative process owner has identified departments needing to be involved in the execution of his/her initiative.

	Department 1	Department 2	Department 3	Department 4	Department 5
Strategic Objective 1					
Initiative 1.1	X		X	X	E
Initiative 1.2	D				
Initiative 1.3		D			
Initiative 1.n				D	
Strategic Objective 2					
Initiative 2.1			E		
Initiative 2.2			D		
Initiative 2.3					D
Initiative 2.n		D			
Strategic Objective n					
Initiative n.1					D
Initiative n.2					
Initiative n.3	E				
Initiative n.n				D	

E = Entity Initiatives **D = Departmental Initiatives**

x = Departments performing activities to execute the initiative

Once the departments needing to be involved have been identified, the initiative process owner can decide on the most efficient approach for obtaining input from these departments. In the case of large FGEs, the initiative process owners may decide to have workshops with several departments to obtain their input, where as in smaller FGE the initiative process owners may have individual department workshops or even obtain input via one on one meetings.

The objective of the departmental input would be to clarify and further elaborate on the activities for executing the initiative, define activity owners, estimate activity timing, estimate resource requirements and develop operational performance measure(s) (OPMs) for each activity. As a general rule, the initiative process owners and departments should be able to identify anywhere between 2-8 activities per initiative.

As a part of the cascade process, initiative process owners should communicate any changes in the initiative prioritization work resulting from the consolidation of all departmental and entity level initiatives. This is needed, because this may be the first time that the individuals within the department see the full picture of all

initiatives, including the final initiatives for their department.

Next the initiative process owners and departments need to identify the services required from each department to ensure successful completion of the initiative. These department services would then be translated into activities.

As a part of the activity development process, the initiative process owners and departments should think about the following:

- Initiative customers (i.e. internal customer - department - or external customers - public - that will be impacted by the initiative)
- Activities that are prerequisites for starting an initiative
- Critical suppliers of services (i.e. both internal and external) to make each initiative succeed – in addition to those present in the workshop
- Initiative requirements from each supplier of service
- Sequence for activities (i.e. to determine bottlenecks)

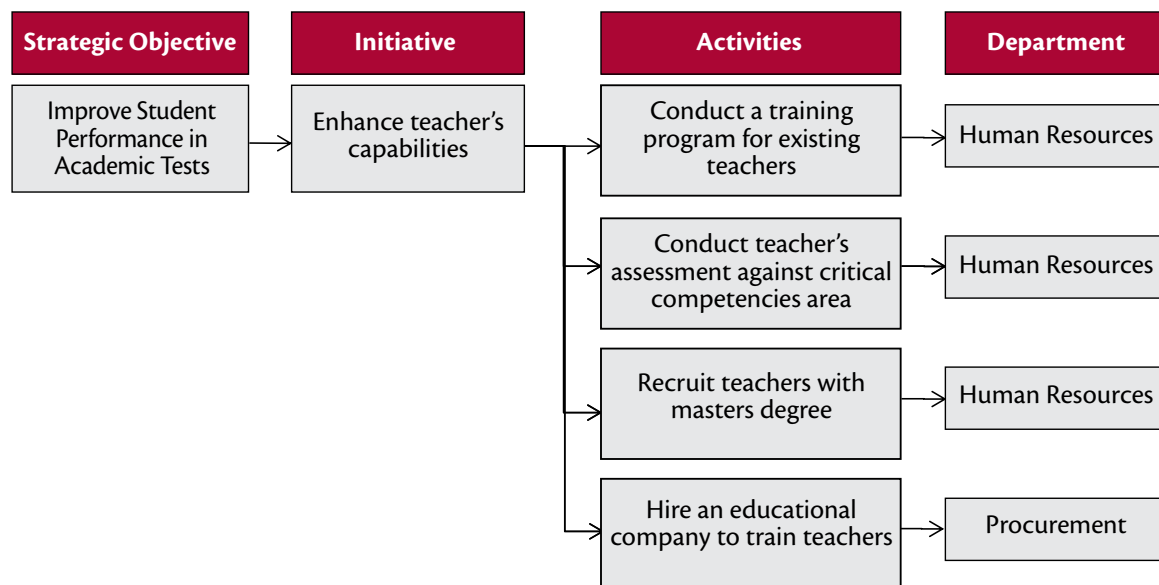
For additional information on structured thinking please refer to the **Tools and Techniques** chapter for information on Logic Trees which are useful tool for structured thinking).

process owners should be able to develop a comprehensive list of the activities that are associated with their initiative(s). An example of activities associated with an initiative is shown below:

Based on departmental input, the initiative

Case Example: Ministry of Education

For the **training program for existing teachers** initiative, the strategy department team of the Ministry of Education worked with the school operations department to identify the following activities:



Once a comprehensive list of activities has been achieved, the next step in the process is to shift

focus towards estimation of time and resources requirements for each activity.

5.4 How are activity time and resource estimates developed?

Next the initiative process owners and departments need to develop time and resource estimates for completion of each activity.

Activity estimates should also be developed using past experiences of the initiative process owner and participants from each department. However, past experience estimates must always be refined for factors such as the uniqueness of the initiative and / or its associated activities.

In determining estimates for time and resources, thinking about the following list of things may be necessary:

- Expected time for realization of each activity
- Specific actions needed for each activity
- Approximate resources required for each activity
- Deadlines imposed by senior management
- Potential bottleneck caused by interdependent activities

It is especially important to get input and buy-in from the department heads when developing the estimates, so as to ensure upfront agreement and prevent any delays during execution of the strategy.

At this stage, each of the initiative process owners can also begin budgeting for their initiative, which once consolidated with all other initiatives will result in the FGEs operational plan. It is important to ensure that budgeting for the activities is undertaken as per the budget handbook published by Ministry of Finance (MoF) and using the principles of Zero Based Budgeting.

The principles of zero based budgeting prescribe that the FGE's budget must be developed via a program structure. A program structure typically comprises of strategic objectives, initiatives and activities and stems directly from the operational plan of the FGE. Program structures link the UAE Government Strategy with the budget and constitute the framework for the budget.

It is important to note that this budgeting exercise needs to be done for the period of the strategy, i.e. 3 years. It is then the duty of the FGE to break down its 3 year strategic plan/ program structure budget into annual budgets.

5.5 How are operational performance measures developed?

Activities are sub steps within each initiative and these sub steps should be measured to ensure that the completion of the activities will fulfill the requirements of the initiative as well as contribute to the success of the strategic objectives.

It is important to ensure that the OPMs that measure the progress in the implementation of activities are aligned to the OKPIs that are in place to measure the progress of the initiative. The OPMs should be derived by asking such questions as:

- What problem is the activity solving for the customer (as defined in the 'Where chapter')?
- What is an important output for the customer?
- What are the expectations of the customer?
- Is the time element vital to the customer?
- How important is the quality (e.g. level of detail) element of service to the customer?
- How does the OPM link back to the OKPIs measuring the performance of the initiative?
- How do other entities measure these types of activities?

It is also important to note that customers can be internal (e.g. other departments) or external (e.g. citizens) and are the stakeholders for the activities that will be delivered as a part of the initiative.

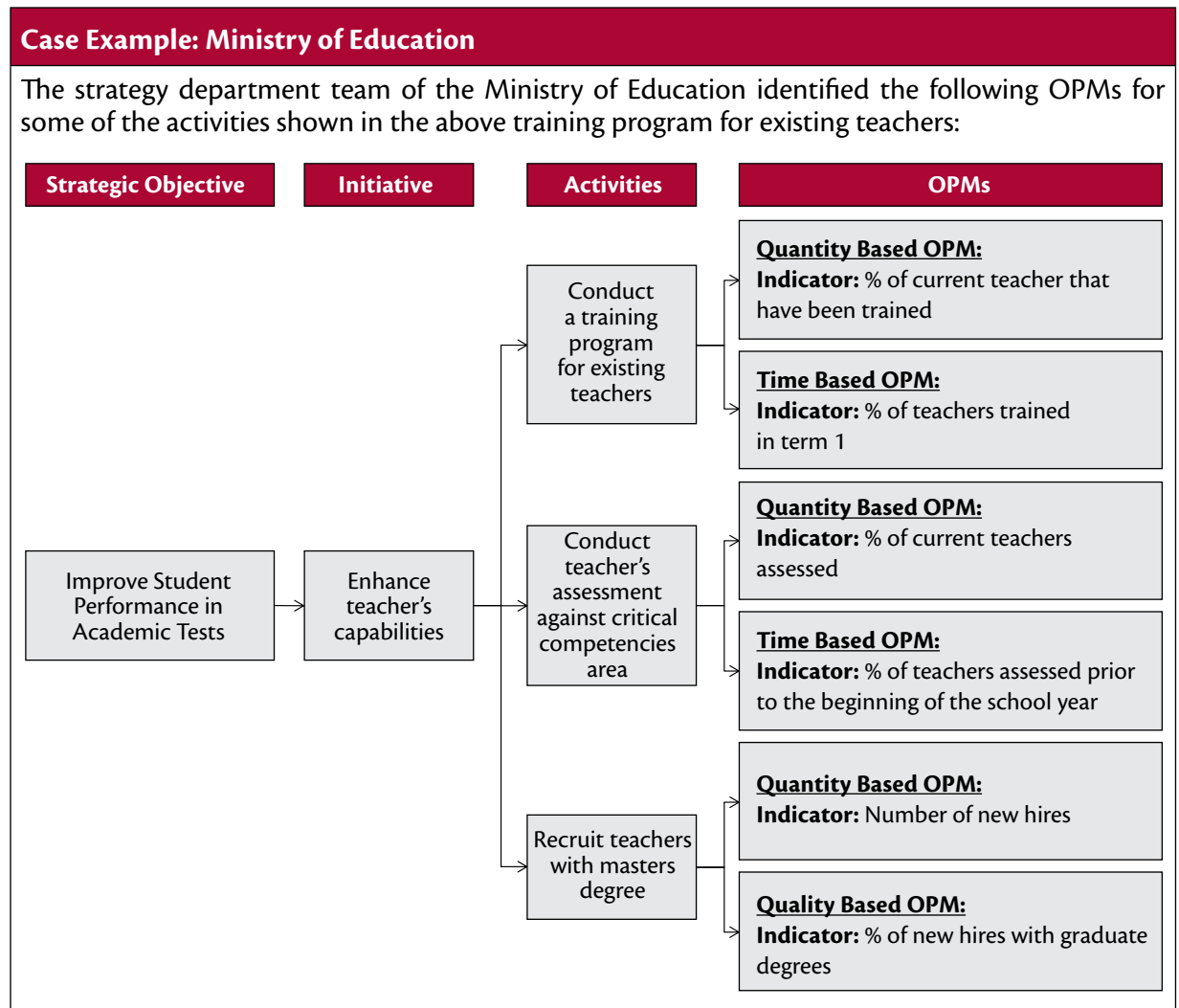
The OPMs mainly measure outputs and can be of three types:

- **Quantity Based OPMs** track progress against the activity's effectiveness in meeting the required initiative from a quantity perspective – after the activity has been implemented (e.g. if an activity is to train all teachers, then a quantity based OPM will be 'annual percentage of all teachers who participate in professional development')
- **Quality Based OPMs** track progress against the activity's effectiveness in meeting the required strategy from a quality perspective – after the activity has been implemented (e.g. if an activity is to train all teachers, then a quality based OPM will be 'comprehension level of all teachers who participated in professional development')
- **Time Based OPMs** track progress against the time-goal of implementing the activity – in other words, the deadline to implement the activity (e.g. activity x must be implemented by Q2 2010)

It is common for activities to have more than one OPM. As a guiding principle, ensure that at least one quantity OPM is defined - which can be further broken down into periodic milestones –, in addition to one time or quality based OPM.

The OPMs also need to be assigned periodic milestones so as to assist with ongoing tracking of progress towards completion of each initiative. Once the periodic milestones have been developed, they will also need to be populated in the operational plan template. Further details of completing the operational plan template are included in the next chapter.

Examples of OPMs for some of the activities in the case examples are shown below:



5.6 How is an initiative charter created?

At this stage, the initiative owner would have determined the main components of the initiative. All these details should be compiled into a document called initiative charters. Initiative charters can then be used as a tracking tool for the initiative owner and by the strategy

department team to fill in the operational plan. This step is detailed out in the next chapter – ‘Strategy Implementation Planning’. A completed sample Initiative Charter is shown below.

Initiative Charter		
Strategic Objective Improve Student Performance in Academic Tests		
Initiative Name & Description <i>Enhance teachers' capabilities</i> – Elevate the quality of teachers to international standards		
Expected Outcome 90 percent of the teachers will pass the international certification test within two years		
Activities <ul style="list-style-type: none"> ■ Conduct a training program for existing teachers ■ Conduct teacher's assessment against critical competencies area ■ Recruit teachers with masters degree ■ Hire an educational company to train teachers 	Initiative Process Owner <ul style="list-style-type: none"> ■ Human Resources Department Head Other Individuals Contributing <ul style="list-style-type: none"> ■ School principals – 1 from each region ■ Teacher Qualifications Section Head ■ Human Resource Recruitment Section Head ■ Training Department Head ■ Procurement Manager 	OKPIs: <ul style="list-style-type: none"> ■ % of teachers that will pass the international certification examination within two years ■ % of teachers with graduate degrees after two years
High Level Budget Requirements (Not Comprehensive) New hires (100 teachers @ 72,000 ~ AED 7.2 Million in salaries in two years) Training (500 teachers @ 3,000 ~ AED 1.5 million)		Time Requirement 24 months

5.7 What are the key learnings?

No.	Key Learnings	✓
1	Have we established OKPIs for each initiative in conjunction with the initiative process owners?	<input type="checkbox"/>
2	Have we held a workshop to explain the initiative cascading process to the initiatives owners?	<input type="checkbox"/>
3	Did the initiative process owners involve the appropriate departments in the initiative detailing process?	<input type="checkbox"/>
4	Did the initiative process owners align the OPMs to the OKPIs for the initiative?	<input type="checkbox"/>
5	Did the initiative process owners prepare and complete initiative charters for all initiatives?	<input type="checkbox"/>

Chapter 6

Strategy Implementation Planning – Strategy Consolidation

The previous chapter on the 'How' phase documented how the initiatives identified as a part of the strategy development project, will get accomplished via distinct activities being performed by departments within the FGE. Furthermore, information related to each of the initiatives was also documented onto initiative charters in the previous chapter. This chapter addresses how the strategy department team should consolidate information associated with each strategic objective into an operational plan and create various tools to track the progress of each initiative and its associated activities. The operational plan is a three year plan that is used to provide an overview of the performance of the FGE over a given year.

This step can be tracked by looking at the placement of the Strategy Implementation Planning phase in the Strategy Development Cycle shown below:



The chapter approaches the consolidation of initiatives and activities by discussing the following:

- How to develop an operational plan?
- How to update the operational plan based on the budgeting process?

- How to develop additional tools to facilitate tracking of initiatives and associated activities?
- What are the key learnings?

The tools introduced in this chapter include:

- **Operational Plan:** a mandatory plan outlining information associated with each strategic objective. Such a plan typically includes all related initiatives and associated activities. Furthermore it also includes the initiative process owner, OKPIs, OPMs, the annual budget for each activity, as well as the total cost associated with each initiative and strategic objective. It is a three year plan which is revisited every year.
- **Gantt Chart:** a tool that will provide a consolidated visual representation of all initiatives, associated activities and their planned timing, as well as associated initiative process owners and planned budget.
- **Department Tracking Tool:** an optional, but recommended tool created for the department heads, which facilitates the tracking of initiatives being supported by the department and specific activities associated with each of those initiatives. This tool typically lists initiatives being supported by the department, initiative process owners for those initiatives, associated activities, OPMs, start date and end date for each activity and planned budget for each activity. This tracking tool can also be implemented via an automated system.
- **Initiative Tracking Tool:** an optional, but recommended tool for the initiative process owners, which facilitates the tracking of each initiative and its associated activities. This tool typically lists activities associated with the initiative, OPMs for each of those activities, start and end dates for each activity and planned budget for each activity. This tracking tool can be implemented via an automated system.

6.1 How to develop an operational plan?

While embedding the strategy into the organization is accomplished in the “How” phase, in this phase the strategy department team is focused on ensuring that the process of embedding the strategy results in successful achievement of each initiative. In order to manage this process the strategy department team needs to develop a consolidated three year operational plan that provides an overview of all strategic objectives, initiatives, underlying activities and associated measures. This is critical because it provides the strategy department team with a tool for maintaining oversight over the execution of the strategy. In addition to providing the strategy department team a consolidated view, the operational plan is revisited each year and should be used as a basis for updating the budget for the upcoming year.

The process for developing the operational plan starts by revisiting the finalized list of strategic

objectives developed in the ‘Where’ chapter. The strategic objectives serve as the starting point for the operational plan. Development of the operational plan entails aggregation of initiative and activity level information associated with each strategic objective into one document. Such information typically includes; initiatives, initiative process owners, OKPIs, activities, department performing each activity, OPMs and planned annual and total budget for each activity and the total planned cost associated with the strategic objective and its related initiatives (a sample is shown below). All of the information included in the operational plan will have been collected over the course of the previous steps of the strategy development cycle (described in the previous chapters).

[illegible]

6.2 How to update the operational plan based on the budgeting process?

It is important to note that an annual budget for each of strategic objective, initiative and activity (i.e. program structure) will be allocated by the Ministry of Finance for the 3 year strategy cycle.

In the event that this occurs, it may require the FGE leadership and strategy department team to revisit the number of proposed initiatives or the timing for executing some initiatives.

If such an event occurs, the FGE leadership and the strategy department team need to conduct

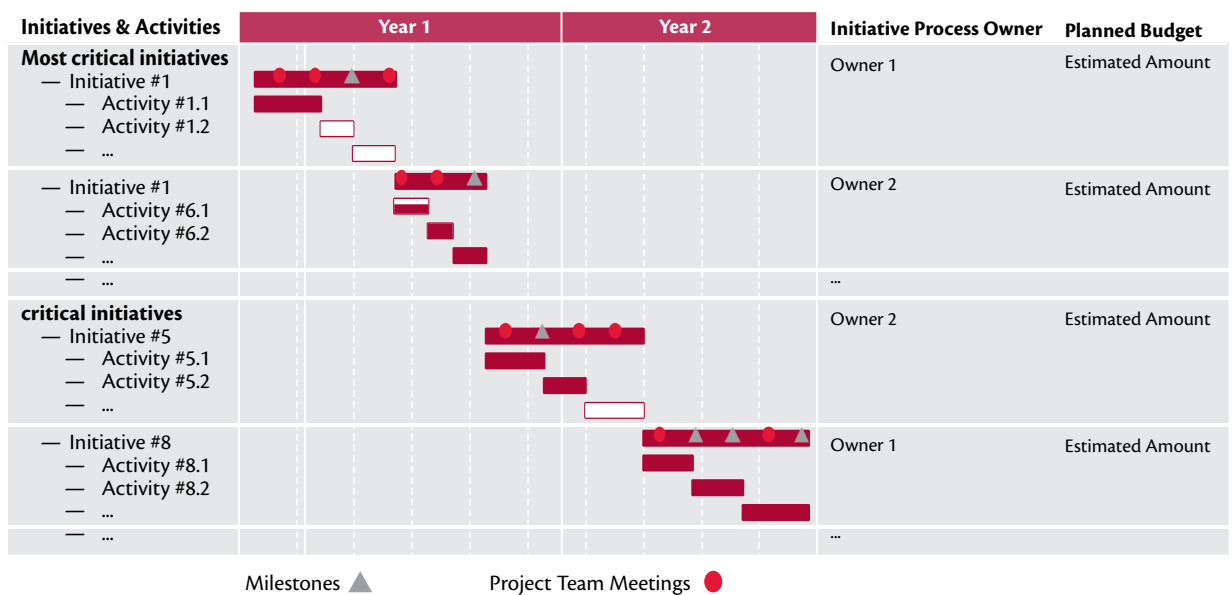
another initiative prioritization exercise as per the process outlined in the 'What' chapter. Conducting a new prioritization exercise will mean shifting some of the initiatives from the most critical and critical categories to the less critical category. Alternatively it may also result in a potential shift in timing within the 3 year strategy cycle, to accommodate for availability of funding.

6.3 How to develop additional tools to facilitate tracking of initiatives and associated activities?

In addition to developing the operational plan, the strategy department team should also create additional tools to support the tracking of initiatives and their associated activities.

The first tool is a Gantt chart that will provide a consolidated visual representation of all initiatives, associated activities, initiative process owners and planned budget (as shown below). A Gantt chart is a type of bar chart that illustrates the schedule for executing the initiatives. Gantt charts are a common technique for representing the phases, initiatives and activities associated with executing a strategy so that they can be understood by a wide audience. There are many software tools (e.g. MS Project) available that aid with the automated generation and management of Gantt charts.

However, prior to the finalization of the Gantt chart, the strategy department team and initiative process owners for each initiative should identify how frequently they would like to conduct a formal review of the initiative and its associated activities. It is good practice to conduct ongoing performance management via a regular review of initiatives and KPIs. Such a review should be conducted in conjunction with the department heads whose departments are performing activities associated with the initiative. Collectively the strategy department team, initiative process owner and department heads will be known as the project team and their regular update meetings as project team meetings.



The above consolidated view on initiatives and underlying activities will be used throughout the duration of an initiative. It is a helpful tool for the strategy department team, initiative process owners as well as the department heads; so that they can judge interdependencies and highlight potential bottlenecks that may put an initiative at risk of timely completion.

In addition to the above Gantt chart, the strategy department team should also create two additional tools to assist the initiative process owners and department heads in managing their contribution towards the strategy.

Department heads can be assisted via creation of a department initiative tracking tool. This tool will provide the department heads

with a consolidated view of all the initiatives their department is supporting, the initiative process owner for each initiative, OKPIs for each initiative, the activities associated with

each initiative, the OPMs in place to measure performance of each activity, the start and end dates for each activity and the planned budget for each activity (as shown below).

Department Initiative Tracking Tool							
For Department	■ Department X						
Initiatives	OKPI	Initiative Process Owner	Activity	OPM Measure	Start Date	End Date	Planned Budget
Initiative 1	■ Output / Outcome based OKPI 1	Owner 1	Activity 1	■ Output based OPM 1 ■ Output based OPM 2	.././....	.././....	...
	■ Output / Outcome based OKPI 2		Activity 2	■ Output based OPM 3	.././....	.././....	...
Initiative 2	■ Output / Outcome based OKPI 3	Owner 2	Activity 3	■ Output based OPM 4	.././....	.././....	...
		
Initiative n	■ Output / Outcome based OKPI 4	Owner n	Activity n	■ Output based OPM n	.././....	.././....	...

Additionally, the strategy department team can assist the initiative process owners, by creating an initiative tracking tool. This tool will provide the initiative process owners with a consolidated view of all the activities associated with their initiative, the departments

performing the activities, the OPMs in place to measure performance of each activity, the start and end dates for each activity and the planned budget for each activity (as shown in the next page). These tracking tools can be implemented and used via an automated system.

Initiative Tracking Tool					
For Initiative Process Owner	Initiative Process Owner				
	Initiative Total Budget				
	<ul style="list-style-type: none"> ■ Output / Outcome based OKPI 1 ■ Output / Outcome based OKPI 2 ■ Output / Outcome based OKPI 3 ■ Output / Outcome based OKPI 4 				
Activity	Department(s) Involved	OPM Measure	Start Date	End Date	Planned Budget
Activity 1	Department A	<ul style="list-style-type: none"> ■ Output based OPM 1 ■ Output based OPM 2 	.././....	.././....	...
Activity 2	Department B	<ul style="list-style-type: none"> ■ Output based OPM 3 	.././....	.././....	...
Activity 3	Department C	<ul style="list-style-type: none"> ■ Output based OPM 4 	.././....	.././....	...
..././....	.././....	...
Activity n	Department n	<ul style="list-style-type: none"> ■ Output based OPM n 	.././....	.././....	...

6.4 What are the key learnings?

No.	Key Learnings	✓
1	Have we developed a consolidated operational plan with all initiatives, activities and associated information?	<input type="checkbox"/>
2	Have we consolidated the timelines of initiatives and activities into a consolidated Gantt chart?	<input type="checkbox"/>
3	Have we created department initiative tracking tools for the department heads?	<input type="checkbox"/>
4	Have we created initiative tracking tools for the initiative process owners?	<input type="checkbox"/>

Chapter 7

Strategy Execution And Review

At this stage, we are assuming the FGE has its final strategic and operational plans approved by the Cabinet, and has begun executing its Strategy. As strategy moves from its planning and cascading phases, discussed in prior chapters, the work of the strategy department continues. Strategy execution requires monitoring, to prepare for routine annual operational plan reviews, to monitor for unexpected changes in the internal and/or external environment and to prepare for the next 3-year Federal strategy cycle. The required monitoring tools have been provided in the previous chapter. This chapter will highlight how the FGE should respond to routine and unexpected changes during strategy execution.

This step can be tracked by looking at the placement of the 'Strategy Execution and Review' phase in the Strategy Development Cycle shown below:



This chapter focuses on the Strategy Execution and Review phase of the cycle, which for the strategy department is a performance monitoring and strategy review exercise.

This chapter of the manual will discuss how the strategy department uses performance monitoring, how it determines the need for a mid-cycle adjustment and how mid-cycle reviews should be conducted.

The chapter covers these topics by addressing the following questions:

- How is strategy execution monitored?
- What is the role of the strategy department in strategy execution monitoring?
- How is the operational plan adjusted for routine changes?
- How is the strategic plan adjusted for unexpected changes?
- What are the key learnings?

7.1 How is strategy execution monitored?

The strategy department within the FGE should review OPMs, OKPIs and SKPIs on a regular basis (i.e. monthly and / or quarterly depending on the measure and nature as well as criticality of the initiative). By reviewing these measures, the strategy department team can understand the ongoing success factors and the risks associated with the execution of each initiative and its subsequent impact on strategic objectives.

Although they may be performed within the same department, the requirements for monitoring a strategy are distinct from the requirements for ongoing performance monitoring. As is discussed more thoroughly in the next section, performance management requires an individual and/or team to flag concerns regarding individual initiatives and to work with initiative process owner to develop recovery/improvement plans. Monitoring of the strategy requires an individual and/or team to assess the impact from multiple initiatives on the overall strategic objectives. Doing so requires stepping back from the details and judging if each strategic objective will reach its intended outcome.

At the senior management level of a FGE, execution of the strategy (implementation) is

monitored via the ongoing review of strategic key performance indicators (SKPIs), which measure the performance against the strategic objectives. In addition, initiatives, which are designed to bridge existing performance gaps - by fulfilling key success factors - to enable achievement of the overall strategic objective, are monitored by operational KPIs (OKPIs) to determine their effectiveness and track progress.

It is best practice for senior management to do periodic (typically every 3 – 4 months) meetings on performance management, reviewing the SKPIs and the OKPIs, and discussing the underlying performance of key initiatives. Initiatives are delivered through a series of activities and the performance of these activities is measured by operational performance measures (OPMs) that are reported into and monitored via the FGE's own internal performance management system. Reports from the performance management system are useful tools for conducting the periodic management reviews of overall performance, and these reports are often helpful in promoting a performance culture if distributed to relevant individuals at the FGE.

7.2 What is the role of the strategy department in strategy execution monitoring?

The progress of executing a strategy may not be consistent across all strategic objectives or across all parts of the organization, with some initiatives (and activities) making more progress and some initiatives (and activities) making less progress than planned. The performance measurement process within the FGE will flag areas of concern with regard to the progress of

each strategic objective, initiative and activity. When performance of an initiative is flagged, the initiative process owner is expected to respond with performance improvement plans to get the initiative back on track. The strategy department team's monitoring role is to look at these flags and consider the consequences on the overall strategy.

For Example: Recall the Ministry of Education case example in chapter 4, where the Ministry developed the strategic objective to **'Improve Student Performance on Academic Tests'** and undertook an initiative to 'conduct a training program for existing teachers'. If this initiative is progressing exceptionally well, it may require the Ministry to accelerate an initiative to 'introduce new technology based courses' so that the authority is fully prepared to utilize the expected enhancement in teacher capabilities. In other words there is a direct inter-linkage between both initiatives, (i.e. if existing teachers are trained ahead of schedule, then the Ministry may be able to introduce new courses - whose delivery is dependent on qualified teachers being available ahead of schedule).

The strategy department team needs to consider the consequences from either potential accelerated success or delayed implementation, by considering questions such as:

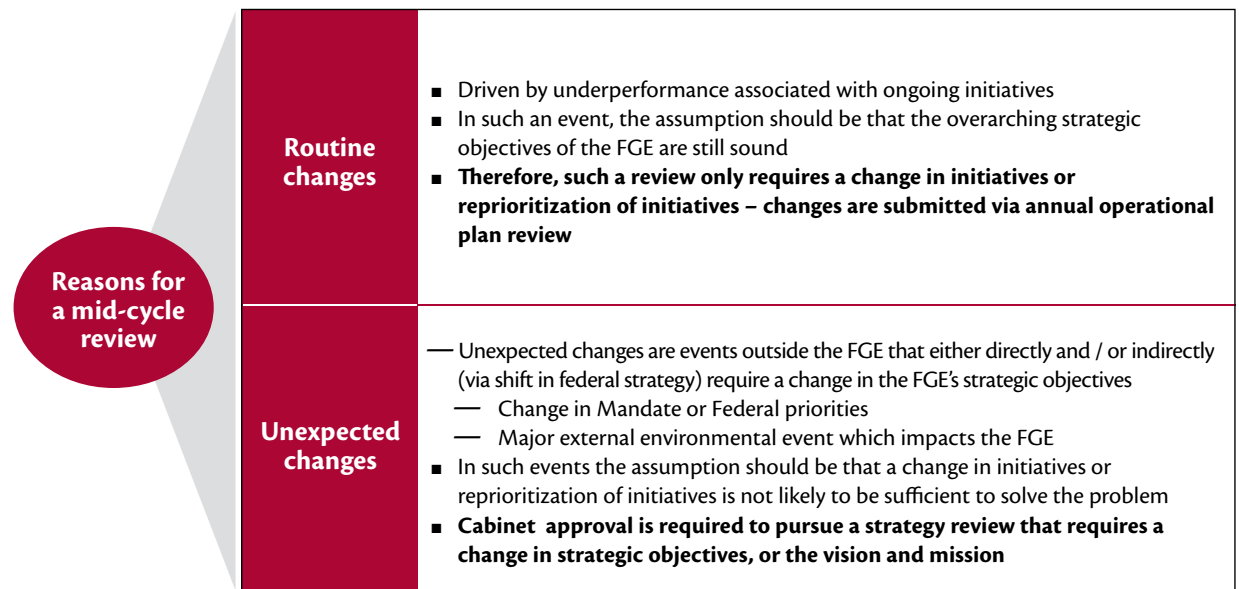
- How does accelerated performance of an initiative impact other key success factors for this objective?
- How will the change in initiative progress impact the overall strategic objective?
- How does delayed performance of an initiative impact the overall strategy?
- Will this change require the FGE to alter its planned initiatives? Will the change require acceleration of another initiative?

The other area that the strategy department needs to monitor is the external environment, where they should be looking for unexpected events or changes that could potentially impact the FGE's strategy. In monitoring the external environment, for unexpected events, the strategy department will consider such questions as:

- What new events that were not accounted for in the PESTLE analysis are occurring?
- What Federal priority changes could impact the FGE's strategic plan?
- How are benchmark entities responding to world impacting events?

In monitoring routine changes in the initiative successes and unexpected events of the external environment, the strategy department will be deciding which, if any, reasons might cause the

need for a mid-cycle review. The graphic below summarizes these two reasons for a mid-cycle review:



The results of the strategy department's monitoring should allow them to develop recommendations that can be shared with leadership. Leadership can then decide on the best way forward to ensure success of the

overall strategy. The following two sections discuss how the FGE might proceed if the threat to the strategy is due to routine or unexpected changes.

7.3 How is the operational plan adjusted for routine changes?

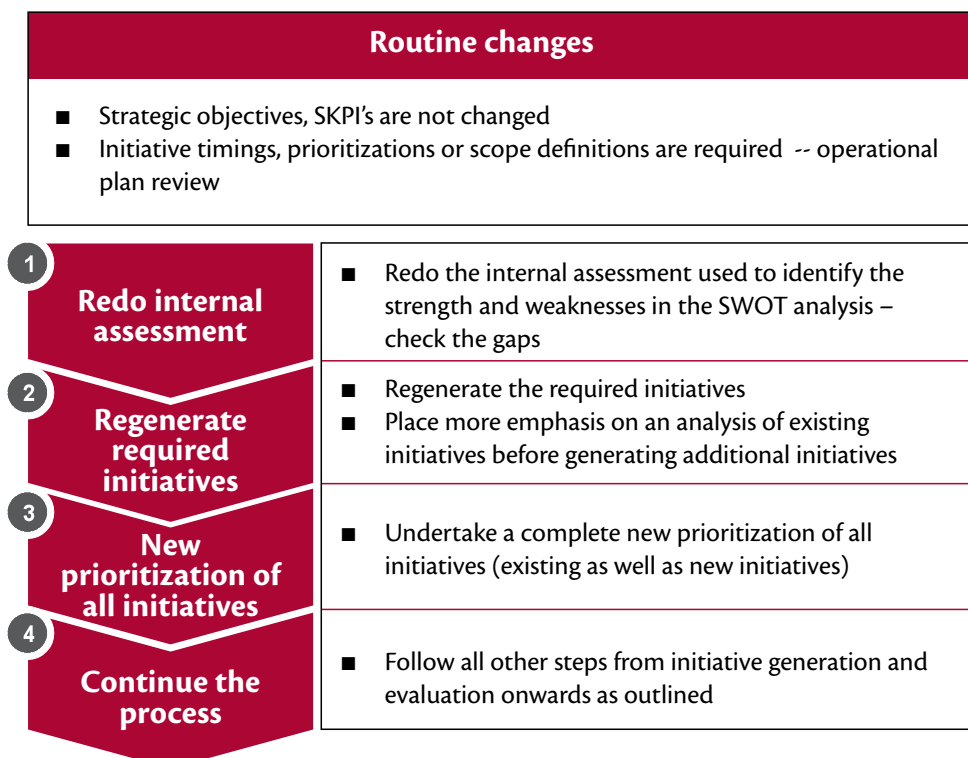
In a routine change scenario, the strategic objectives of the FGE should not be changed. In such a case, either the initiatives or activities in place to realize the strategic objectives (i.e. adding new initiatives or canceling existing initiatives) or the initiatives need to be reprioritized (i.e. sequence and/or timing of the initiatives needs to be revisited). Such routine changes constitute a change in the operational plan of the FGE.

The 3-year strategy cycle and the budgeting process allow for annual reviews and updates to the operational plan of the FGE, where adjustments in the timing and scope of initiative can be presented. The annual review of the operational plan does not necessarily require a change in the strategic plan, as the strategic objectives and the SKPI may remain unchanged.

The annual operational plan review may include altering the timing of initiatives, bringing some forward and delaying some, changing targets to reflect initiative progress and outcomes.

The annual operational plan review is also the time to look at lower priority initiatives (not so critical initiatives), whose execution was delayed during the original strategy development process. It may be that the organizational resources are now able to undertake more initiatives, or it may be judged that attainment of one strategic objective requires additional initiatives.

Making change to the operational plan (i.e. routine changes) can be done by following the below steps:



Step one is to revisit the SWOT analysis to reassess the gaps. For more details on the internal assessment process, please refer to **chapter 3 Where – Generating Strategic Objectives and Gaps.**

Then, having redefined the gaps that must be closed, the process will move to the 'What' phase to regenerate the required initiatives. The strategy department will place more emphasis on an analysis of existing initiatives before generating additional initiatives. But the process steps are the same as outlined starting in **chapter 4 - What – Establishing Initiatives of the manual.**

Next the strategy development team will undertake a complete new prioritization of all initiatives (existing as well as new initiatives). It is possible that this prioritization may lead to decisions to end some existing initiatives. The

importance of the strategy revision work is to look forward, well informed by the work already done, but avoid being pulled into past decisions or the desire of people to finish something they started. The impact and ability-to-implement prioritization process should decide which initiatives are best to deliver the strategic objectives.

All other steps from initiative generation and evaluation onwards should be conducted as outlined in earlier chapters.

In addition, updating the operational plan during this review might include a review of the initiative OKPI targets, reflecting current performance, but recognizing that the strategic objectives remain unchanged. Strategic KPI targets may also be reviewed during the operational plan review.

7.4 How is the strategic plan adjusted for unexpected changes?

A mid-cycle strategy review can only be triggered by changes resulting from unexpected changes due to external environmental factors. Without major new challenges due to external factors, the annual operational plan review should be adequate to account for routine changes.

A mid-cycle strategy review might be triggered by the following general extreme external factors and handled as described under each condition. It is important to note that a mid-cycle review due to all of the below changes would require Cabinet approval.

- **Federal Government changes to the FGE's mandate** – if the Federal Government determines that an adjustment in the mandate of one or more FGEs is required, the impacted FGE(s) should conduct a mid-cycle strategy review, starting at the very beginning of the process, i.e. define 'Who' the FGE is by gaining clarity on the FGE's vision and mission and the impact of the overall Federal government strategy on the FGE's strategy.
- **A Federal Government strategy change** – if there is a change in the Federal strategy that has a major impact on a FGE, a mid-cycle strategy review will be recommended to the FGE. The review should start with the

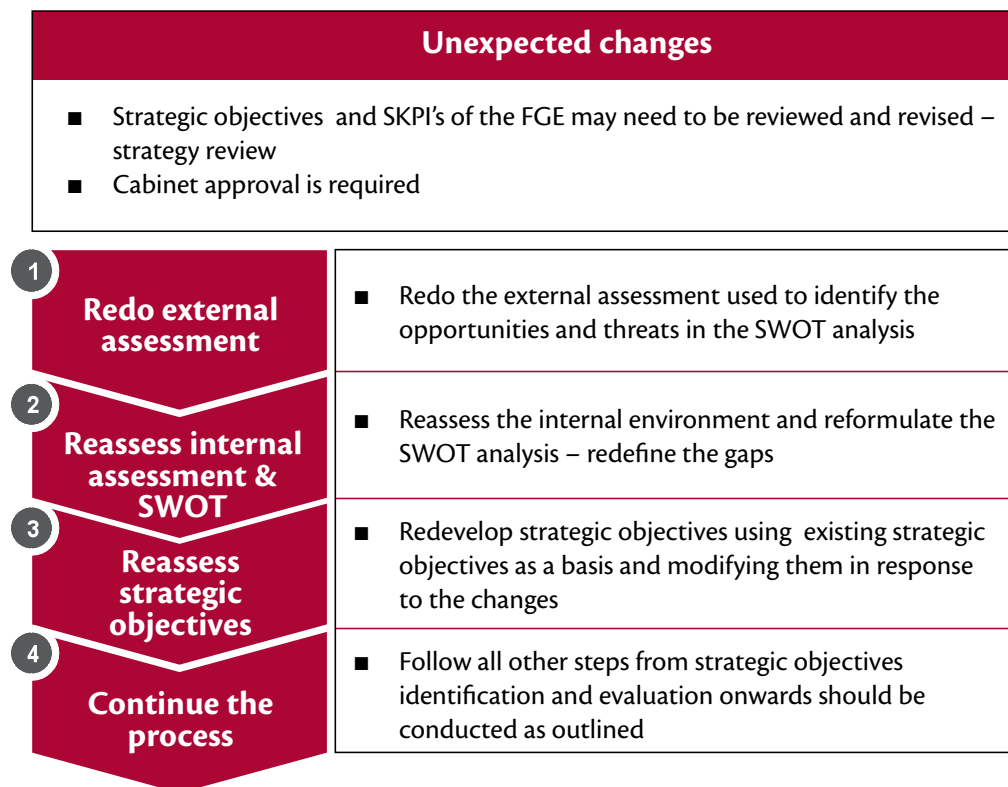
'Where' step (external environment analysis) and follow through the complete strategy development process.

- **A regional or world-wide external event directly impacting a FGE** – if an external event (examples are a financial crisis or a disease pandemic outbreak) occurs and the fallout from the event will directly impact a FGE, a mid-cycle strategy review can be undertaken. A review due to an external environmental event should begin by re-assessing the external environment in the 'Where' phase of the strategy development process.

It is not recommended to change or revise strategic objectives. Nonetheless, if the FGE leadership wishes to change its objectives (or any other element of the Strategy Plan), they will need to present a solid case to the Cabinet on the reasons for the change.

If the changes are driven off unexpected event that require the need for a strategy revision, the strategic objectives of the FGE will need to be reviewed and possibly revised. In such a situation, the strategy review work should start with **chapter 3 Where – Generating Strategic Objectives and Gaps**.

Making change to the strategic plan (i.e. unexpected changes) can be done by following the below steps:



The first step in the review process will be conducting the External Assessment, and then proceed with the review from that point forward - including the internal assessment, SWOT analysis and re-assessment of the strategic objectives.

The existing strategic objectives can serve as a basis for the redevelopment work, modifying them in response to the requirement for review. Prior to engaging in a workshop to develop strategy objectives, the strategy team should gather the performance management data on strategic objectives and SKPI-progress to inform the participants in the workshop.

During the workshop the participants should consider each of the strategic objective statements, making adjustments due to the external factor and using the knowledge of current performance.

As mentioned in chapter 3 Where – Generating Strategic Objectives and Gaps, the strategy development team needs to ensure that the new strategic objectives meet the following conditions:

- **Suitability:** How critical is it to the overall mandate?
- **Feasibility:** Can it be implemented given the current or expected budget and resource availability?
- **Acceptability:** Will the key stakeholders support this new strategy?
- **Importance:** How well do these strategic objectives reflect the overall Federal strategy?
- **Exclusiveness:** Do any of the strategic objectives overlap? Is there any duplication with other FGE's?
- **Collectivity:** Do the strategic objectives collectively address every part of the organization?

All other steps from strategic objectives identification and evaluation onwards should be conducted as outlined in earlier chapters.

7.5 What are the key learnings?

No.	Key Learnings	✓
1	Has the strategy department determined that changes in initiative timing or scope is required during the annual operational plan update?	<input type="checkbox"/>
2	Has the strategy department determined if additional initiatives should be added to a strategic objective?	<input type="checkbox"/>
3	Have annual operational plan changes been recommended to the FGE leadership?	<input type="checkbox"/>
4	Have unexpected changes impacted the FGE?	<input type="checkbox"/>
5	Have recommendations for a mid-cycle review been made to the Cabinet?	<input type="checkbox"/>
6	If a mid-cycle review is done, has the strategy process been followed rigorously to ensure completeness?	<input type="checkbox"/>

Chapter 8

Tools And Techniques

During the strategy planning phase, there are a series of high quality and up-to-date information and analysis tools for the FGE. This appendices chapter contains a collection of tools and techniques that are commonly used in the development of a strategy plan. This collection is not exhaustive and tools and templates are constantly being developed and updated.

The chapter is structured into sections covering the following areas:

- **Understanding Data**
- **Gathering Data**
- **Tools for Utilizing Data**
- **Structured Thinking Tools**

The definitions of some of the key terms used in this chapter are outlined below:

- **Data:** a collection of statistics, figures, numbers, opinions, etc. in raw or unanalyzed format
 - **Data Gathering:** the process of identifying and collecting all the relevant data needed to draw a conclusion
 - **Data Analysis:** the process of examining and summarizing the data gathered with the intent of extracting useful information and developing conclusions
 - **Key Driver:** a factor which materially affects the outcome of an activity; an influence which is driving and shaping change in a set of data
 - **Mutually Exclusive, Collectively Exhaustive (MECE):** a concept that ensures that the problem has been broken down into distinct, non-overlapping points (Mutually Exclusive) and that these points address the entire problem and is conclusive (Collectively Exhaustive)
- The tools introduced in this chapter are outlined below:
- **Survey:** a tool used to gather quantitative or qualitative data – without detailed verification – on a specific issue / question. A survey is essentially a questionnaire that is usually distributed on a wide range of respondents that are randomly selected.
 - **Interview:** a tool used to gather quantitative or qualitative data by asking questions in a one-on-one setting either face-to-face or via other mechanisms (e.g. telephone interview).
 - **Focus Group:** a tool used to gather quantitative or qualitative data on a specific issue or question using a face-to-face process of probing with basic and follow-up questions
 - **Benchmarking:** a method used to analyze how others solve similar problems or how others accomplish work that is similar in nature. In data analysis, benchmarking is used in order to evaluate and judge the current state against best practices and to set targets for SKPIs or OPMs
 - **Forecasting:** a tool used in data analysis in order to predict a future trend
 - **Brainstorming:** a tool used in problem-solving in which participants generate a large number of ideas and solutions for a problem while withholding judgment to allow for increased creativity. The ideas and solutions are assessed at a later point to rank their viability
 - **Logic Tree:** a tool used in problem-solving in which a problem (in the form of a question) is broken down into sub-questions which represent potential solutions to the problem. Each sub-question potentially can be broken down again into sub-questions. It is important to note that questions and sub-questions should not be overlapping, but be hierarchical (i.e. potentially solving the “predecessor”-question)

Tools and methods discussed in this chapter can be used in many steps of the strategy development process as shown below:

Tools / Methods	Strategy Planning			Strategy Cascading		
	1 Project Setup	2 The "Who?" Phase	3 The "Where?" Phase	4 The "What?" Phase	5 The "How?" Phase	6 Strategy Imp. Planning
Focus Group			■ Assessing internal environment			
Benchmarking		■ Vision, mission, core values comparison	■ Gaps against best practice models		■ Quarterly OPM target setting	
Brainstorming	■ Stakeholder identification	■ Developing – Vision – Mission – Core Values	■ Assessing external environment ■ Developing strategic objectives	■ Developing initiatives for each KSF	■ Breaking up initiatives into activities	
Data Gathering / Research / Analysis			■ Assessing external environment			
Surveys			■ Assessing external environment			
Interviews		■ Developing – Vision – Mission	■ Assessing external environment ■ Assessing internal environment ■ Developing strategic objectives	■ Assessing potential initiatives		
Logic Trees			■ Developing strategic objectives and KSFs		■ Breaking up initiatives into activities	
MECE			■ Developing strategic objectives			
PESTLE analysis			■ Assessing external environment			

Understanding Data

Understanding what data is required is an invaluable tool for the strategy department team, as it helps them focus on collecting the most useful data, rather than attempting to collect everything, a term in the strategy field often referred to as attempting to 'boil the ocean'. As an example, the need for data will relate to the entity portfolio to determine how services and beneficiaries might be changing, as these may influence the workload of the entity.

To understand data requirements, the initial data search should look for key drivers by asking some of the following questions:

- What factors drive (key drivers) the demand for services across the entity portfolio?

Factors are things such as:

- Segments of the populations (e.g. family units, individuals under / over a certain age, etc.)
- Incidence rates, (e.g. vehicle traffic segmented by types of vehicles)
- Consumption rates (e.g. usage rates for resources such as potable water, electricity, etc.)
- What factors have a direct influence or impact on the FGE's entity portfolio?
- What factors have an indirect influence on the FGE's entity portfolio, e.g. the divorce rate on social service requirements?
- How do various factors relate to each other, e.g. family units to electricity consumption, etc.?
- How would changes in either the size or changing attitudes of a population segment impact the FGE's entity portfolio?
- Other questions of a similar probing nature about service or policy demands, etc.

Key factors are very context or FGE specific and an inquisition into data requirements will reduce the amount of 'ocean boiling' that might be required. Once the focus of the data has been determined, the strategy department team will recognize that data types and sources vary widely, e.g. opinions collected in a survey are data; facts about road traffic volumes are data. It is important to understand the source and type of data when working with it. Some definitions are:

- **Data** is the raw material from which information is developed. It provides a direct record about tangible entities, such as a person, a building, a vehicle, etc. Data is usually gathered, organized and stored within a database. Modern databases are designed such that data can be selected and plotted depending on the question that is trying to be answered.
- **Information** is what the data tell the analyst as a result of an enquiry. To do this the data is manipulated, categorized, classified, grouped, indexed and cross-referenced. Thus accident information about traffic on a major highway will include relationships between data like:
 - The highway classification
 - Types of vehicles involved
 - Times of day of the accident
 - Weather conditions at the time
 - Number of people involved
 - Source of the emergency calls
 - Accident magnitude

- **Statistics** are forms of information based either upon the summary of a continuous stream of data or a sampling. It is often expensive to collect continuous streams of data, so most statistical analysis is done using a sampling of activities, e.g. if one records the number of accidents on the mentioned highway every fourth Friday, it is likely to be a good proxy for calculating the total number of accidents to be expected on a Friday

Data can be qualitative and quantitative:

- **Quantitative:** numeric data that can be measured in units, e.g. time, money, volume, percentages, etc.
- **Qualitative:** descriptive data that uses words as a means of portrayal, e.g. observation, descriptions, opinion, thought, etc.

Data can also result from:

- **Observations collected at a single point in time:** this is useful when a 'snapshot' of the situation is required at a given point in time, e.g. data included in a SWOT analysis
- **Observations collected over a period of time:** this is useful when an observation of

a trend is required, e.g. examining GDP or population over several years to see a growth pattern

Data can also be distinguished according to the use to which it will be put. Typical uses of data in strategy work include measuring and describing:

- **Trends:** the general pattern of something over a period of time
- **Preferences:** what the public and / or stakeholders value and what they think about certain issues
- **Financial outcomes:** how much is spent, lost, earned, saved, invested, etc.
- **Performance outcomes:** the results of work to achieve an outcome
- **Correlations:** how data relates to or impacts other data
- **Benchmarks:** how the current situation / state compares to other (potentially better) situations / states
- **Forecasts:** predictions of outcomes before they occur

Gathering Data

There are two main types of data gathering:

- **Primary Data Gathering:** sometimes referred to as field research, involves the collection of data from its original source specifically for usage for the strategy development project. The three methods of primary data gathering discussed in this section are:
 - **Surveys**
 - **Interviews**
 - **Focus Groups**
- **Secondary Data Gathering:** involves the collation of data which already exists in some form, having been collected for a different purpose often by a different organization. Its advantage is that it saves time and effort for the FGE. However, it maybe needs to be purchased from a research provider and may not directly provide the related information needed by the FGE.

Primary Data Gathering:

Surveys

Surveys are a means of developing a broad,

representative understanding of a situation, social attitudes or prevalent behavior.

Most surveys contain data collected at a single point in time, i.e. they provide a snapshot in time. A typical survey, collecting data at a single point in time, asks the same set of questions to a random sample of the population. If the sample is statistically significant (can be relied upon to represent), the results should be indicative of the mix of responses that would have been received, had the same questions been posed to the entire population. This method of sampling can be contrasted with a census where information is comprehensively acquired and recorded about the members of a given population.

A survey can also collect data over a period of time. Surveys of this nature may range from short-term panel studies, such as when the same people are asked the same questions before and after a big event, to comprehensive studies that track individuals – and even whole families or households – over a life-time, enabling causal links to be more confidently established. Data collected over a period of time can be used to analyze the impacts over time and it permits a projection of how a strategy may affect the future.

Sample question types used in surveys are shown in the below example:

Type	Example	Type of Question	When to Use
A Statement	What do you think of the UAE's approach to developing the manufacturing sector of its economy?	Open-ended Questions: These are questions to which there is not one definite answer. These give respondents the opportunity to answer in their own words.	Used when the opinion of the respondent in his/her own words is sought
A List	Please list the issues you feel are the most important in relation to enhancing the UAE's economy		
Choosing from a list of options	Which one of the following countries do you feel has the strongest economy? <ul style="list-style-type: none"> ■ United Arab Emirates ■ Kingdom of Saudi Arabia ■ Kuwait ■ Qatar ■ Bahrain ■ Oman 	Closed-ended Questions: These are questions to which there is a finite set of answers from which the respondent chooses. These questions are usually more difficult to write than open-ended questions; this is because the choices must be designed to include all the possible answers a respondent could give for each question.	Used when the respondent must pick the best answer from among all the possible options
Rank Order	From the following list of GCC countries, choose THREE which you feel have the strongest economies and put them in rank order; 1 = strongest, 2 = second strongest, 3 = third strongest <ul style="list-style-type: none"> ■ United Arab Emirates ■ Kingdom of Saudi Arabia ■ Kuwait ■ Qatar ■ Bahrain ■ Oman 		Used when all the possible answers are to be ranked in order to seek a relation between the different answers
Degree of agreement / disagreement (the Likert Scale)	Unified GCC currency is a good thing for the UAE <ul style="list-style-type: none"> ■ Strongly Agree ■ Agree ■ Neither Agree or Disagree ■ Disagree ■ Strongly Disagree 		Used to assess a respondent's feeling about an issue

If a survey is to be conducted, it may be helpful to commission a market research company to undertake the work. This can be particularly helpful if a large amount of data needs to be collected in a short period of time. A market research company will also have experience of what makes a good survey and can feed best practice into the design of the methodology for collection of the data.

Interviews

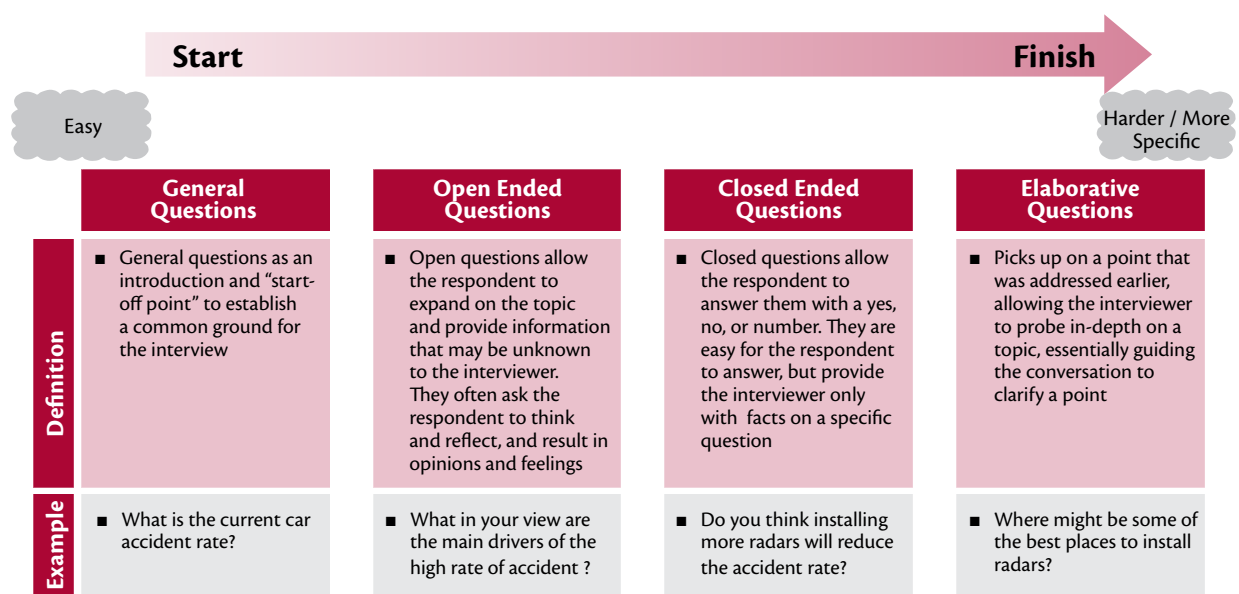
Interviews are particularly useful for getting 'real time' views on a particular issue, and for collecting both historical data and opinions. Interviews are a particularly useful tool for gathering data from subject matter experts and from leaders within the FGE (or from outside the FGE) for which a strategy is being developed. However, interviews are time consuming for a team to collect and can be difficult to schedule if data gathering has tight time constraints.

Interview preparation is critical to successful interviewing. Before undertaking any interviewing activity, it is best practice to:

- **Be clear about the purpose of the interview** – what is the data being sought, and how will it be used?
- **Prepare a list of structured questions** (an interview guide) if the results are to be used to compare the responses from multiple interviewees
- **Prioritize the questions** in case time is cut short and if possible, sequence the questions so that they build on each other

- **Cross-check the questions** against a defined list of issues for which data is to be gathered
- **Prepare the interviewees**, by scheduling a fixed time and by informing them of the purpose of the interview
- **Prepare the interviewer** by researching the background of the person to be interviewed

The purpose of the interview should be the determinant for the type of questions (e.g. open-ended or yes/no) to be asked. For a general interview the question flow by type is shown below:



In such a general interview as shown above, the interviewer should start by reconfirming the purpose of the interview and why the person was selected for an interview. Then the interviewer might open with the general questions to engage the interviewee in a conversation, after which the interviewer may ask more open ended questions (i.e. questions that require an explanation rather than a yes or no answer) to allow the interviewee to elaborate on an issue. The open-ended question can be followed by a series of closed ended questions (i.e. questions that hone in on a particular point) to confirm a particular issues. As the interview nears its conclusion, the interviewer may provide the interviewee with the opportunity to express his / her opinion and to provide additional data.

Some general guidelines for conducting interviews include:

- **Openness** – allow the interviewee to offer opinions, without challenge
- **Flexibility** – follow the interviewees thoughts, but guide the interview to gather the required data
- **Completeness** – making sure that all the relevant points have been covered
- **Probe** – Understand the thoughts of the interviewee and ask follow-up question(s) to ensure the opinions or statements of facts are understood
- **Cooperation** – trading information (non-proprietary) with the interviewee may be a good way to gain the interviewee's trust

It is best practice to document interviews in a synthesis sheet to facilitate their use. A sample synthesis sheet is shown below:

Interviewer Name	<i>The name of the person who is conducting the interview</i>
Date / Time	<i>The date and time of the interview</i>
Location	<i>The location the interview is held at</i>
Interview Objective	<i>A brief description of the intended purpose of the meeting (e.g. the aim of this meeting is to uncover the latest trends in containing pandemics)</i>
Interviewee Information	
Name	<i>The name of the person being interviewed</i>
Entity	<i>The entity that the interviewee belongs to</i>
Department / Position	<i>The department that the interviewee belongs to and his/her position</i>
Contact Information	<i>The phone number and/or e-mail address of the interviewee</i>
Interview Guide	
Question 1	
Answer 1	
Question n	
Answer n	

Focus groups

Focus groups entail structured interviews with a small number of individuals to explore a particular issue or to seek views on areas of concern. Focus groups are generally considered to be a 'qualitative' method – exploring a small number of people's views and feelings in-depth, as opposed to large scale surveys that ask large numbers of people identical questions and that are more suitable for quantitative analysis. The ideal size of a focus group should be 5-8 people.

Generally, strategy projects will want to use a number of groups with different perspectives, to test how different groups feel or will react to a certain intervention.

The process typically involves:

- **Specifying what is required** and selecting a specialist facilitator (if a facilitator is needed)
- **Deciding on the target groups and how these should be segmented** (e.g. by socio-economic group, department within the organization, etc.). To ensure the group is representative, while not being intimidating for the participants, best practice for focus groups is five to eight people in each focus group session
- **Producing a list of questions that will be asked during the session.** To ensure an in-depth discussion of each question, it is advisable to limit the discussion to no more than 5-10 questions.

Focus groups are essentially multiple interviews conducted at once; therefore, many of the same guidelines for conducting focus groups are similar to conducting interviews (see [interviews above](#))

An opinion gathering focus group process consists of a facilitated discussion among the participants around their answers to each of the questions asked. A good facilitator should be able to:

- **Guide the discussion** without being directly involved in the conversation themselves
- **Create and maintain the group's enthusiasm** and interest in the topic
- **Ensure that all of the participants are active** and allowed to offer their contribution to the discussion
- **Listen to the participants without exhibiting strong reactions or change in body language**, thus avoiding giving any indication of approval or disapproval of the opinions being offered

Secondary Data Gathering

There is an enormous volume of data that is routinely captured, systemized and published by a wide range of institutions. Much of this

data is readily accessible via the internet. A non-exhaustive list of the most common external and public data sources are outlined below.

Data Sources		
Government Sources		
Chambers of Commerce		National chambers of commerce (including the chambers of commerce of the various Emirates in the UAE) provide useful reports and summaries on economic indicators, sectors, etc.
Central Banks		Various central banks globally publish reports pertaining to the economic outlook of their respective countries.
International Agencies		
International Monetary Fund (IMF)	www.imf.org	Provides country reports for every country in the world. Three particularly useful publications are: <ul style="list-style-type: none">■ The World Economic Outlook■ The Annual Report■ The International Capital Markets
United Nations Development Programme (UNDP)	www.undp.org	Provides publications that analyze the developmental progress on a regional, national, and local basis. A key publication is the annual Human Development Report
International Labour Organization (ILO)	www.ilo.org	Provides publications that discuss various labour and human rights issues. Key publications include the Director General's Reports
World Trade Organization (WTO)	www.wto.org	Provides publications on international trade policies and regulations. Key publications include: <ul style="list-style-type: none">■ The World Trade Report■ International Trade Statistics■ WTO Annual Report
World Health Organization (WHO)	www.who.int	Provides various publications analyzing disease outbreaks, as well as analyzing the performance of health systems around the globe. A key publication is The World Health Report
World Bank	www.worldbank.org	Provides a vast database on economic, social, and other development statistics for all countries in the world.
Business Publications		
The Economist	www.economist.com	Provides archives of previous articles as well as special reports and surveys. The Economic Intelligence Unit Country Briefings also provides a good source of country information.
Subscription Databases		
Datamonitor	www.datamonitor.com	Provide a comprehensive search on industries and companies, as well as provide a portal for accessing various research articles published by various entities.
Business Monitor International	www.bmi.com	
Zawya	www.zawya.com	
Internet Search Engines		
Google	www.google.com	Provide a portal to any piece of information, and information sources, required. Usually a good place to start any research effort.
Altavista	www.altavista.com	
Bing	www.bing.com	

There will often be additional sources specific to a topic available. Other sources include departmental websites and libraries which can provide various specific data and links to other useful sites. It can also be beneficial to search academic journals, trade and specialist magazines if required.

Subject matter experts, individuals with deep experience working with a particular topic, are particularly helpful to guide a researcher to find

additional sources of secondary data. These include the following, many of which exist in the government sector:

- Economists
- Academics
- Scientists
- Social researchers
- Statisticians

Tools for Utilizing Data

Data is utilized to draw out specific conclusions relevant to strategy work at a given Federal entity. This section will discuss three different tools used in data utilization; forecasting, benchmarking and cost-benefit analysis

Forecasting

Forecasting identifies and tracks past trends and extrapolates them into the future. Typically, it is used to track changes over time (named time-series forecasting) and to make predictions. Forecasting is a useful tool in the context of the 3 year federal government strategy cycle as it

may help provide visibility to potential changes over a period of time and permit adoption of appropriate initiatives and/or measures to manage those changes.

It is difficult to correctly estimate the future; however, when it is possible to identify key drivers (key drivers were discussed in the 'Understanding Data' section) for a sector, a prediction can be made. Using these drivers along with historic data allows for estimating the future.

A summary forecasting process is shown below:

Evaluation of Drivers	Data Collection	Formulating the Forecast
<ul style="list-style-type: none">■ Identify appropriate drivers and evaluate how each driver will affect the forecast<ul style="list-style-type: none">– Interviews with (external) industry experts– Interviews with (internal) experts	<ul style="list-style-type: none">■ Collect data on the drivers to verify evaluation■ Collect data on the topic to enable past trend analysis (i.e. discover how the data has changed over time in the past)<ul style="list-style-type: none">– Secondary research	<ul style="list-style-type: none">■ Build a forecast model incorporating how each driver affects the forecast. Seek the help of the following for building the forecast model:<ul style="list-style-type: none">– Statisticians– Mathematicians

Two of the key requirements in conducting forecasting are to identify key drivers and get accurate data for them. If time permits and the forecast is critical to the strategy development, it may be necessary to commission a sample study to gather sample data on key drivers in order to accurately inform the forecasting model.

Benchmarking

Benchmarking utilizes data to compare outcomes and to set standards and goals. Comparing performance through

benchmarking data utilization is a valuable means identifying areas for development in the delivery of a strategy. There are three main ways to use benchmarking in strategy work:

1. Comparison benchmarking data (comparing outcomes from other FGE's doing similar work) can be an effective catalyst that helps to make a case for change, by comparing the performance level of others to present performance levels of an existing organization. Comparison benchmarking is

also an excellent tool for use in target setting for SKPIs, OKPIs or OPMs

2. After using comparison benchmark data to make the case for change, benchmark learning can be used to learn how others have overcome comparable problems or have innovated new ways to do work. International comparisons bring together information, data and analysis on approaches for how other countries tackled similar issues and can draw out relevant experience that may be applied.
3. Indirect benchmarking or the act of looking 'outside the box' to see what can

be learned from non-comparable entities (such as looking at how commercial service companies handle customers as a means of learning how a ministry can register people) is a useful way of seeking new ideas for "doing things" and promotes culture that is receptive to fresh approaches

A main source of benchmarking information is the internet. Simple internet searches will often yield ample amounts of benchmarking information that can be used throughout the strategy development process. An overall benchmarking process is shown below:

Identify Comparator Country / Region	Gather Evidence	Interpret Results
<ul style="list-style-type: none"> ■ Identify the type of data needed ■ Determine a comparator country or region where best practices are known to exist ■ Identify / decide relevance of comparison 	<ul style="list-style-type: none"> ■ Conduct secondary and primary research to gather evidence 	<ul style="list-style-type: none"> ■ Draw out conclusions on areas of potential enhancements ■ Seek the help of experts in identifying the reason for performance variations

Case Example: Ministry of Education

A Ministry of Education wanted to benchmark the country's university education spend with that of other developed countries, attempting to correlate higher education spend with its status as a developed country

Identify Comparator Country / Region

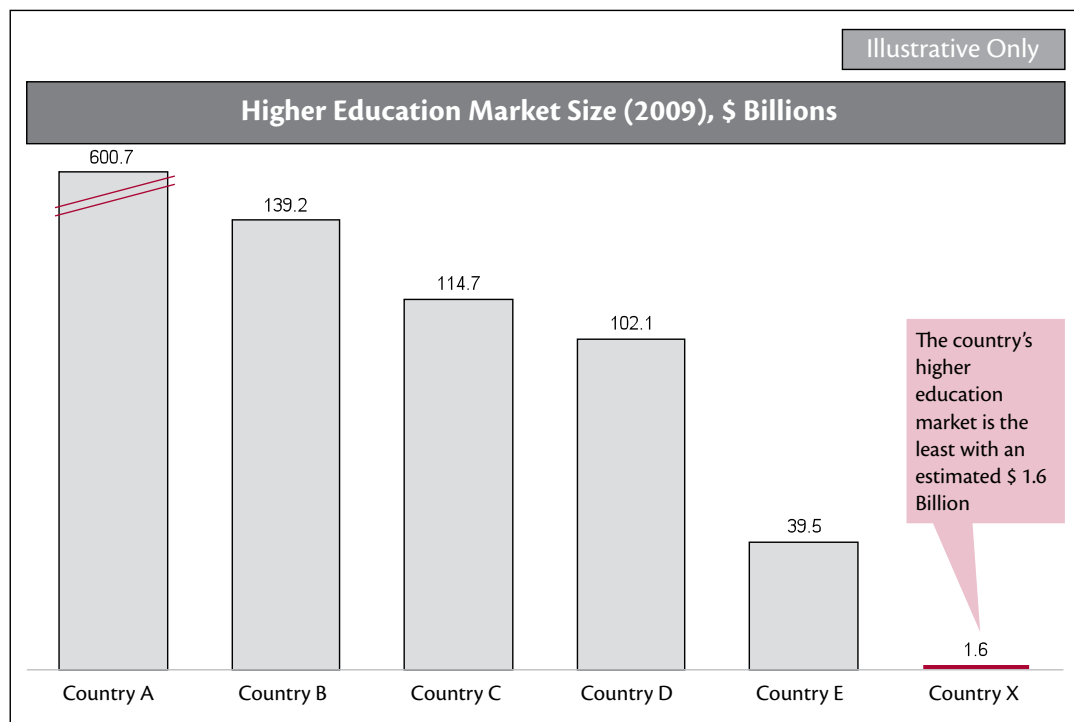
A team within the Ministry of Education started by identifying the type of data they will use for the benchmark. The data to be used is as follows:

- Higher education spend per capita
- TIMSS (Test in Mathematics & Social Science) Scores
- Higher education spending as % of GDP
- Human Development Index

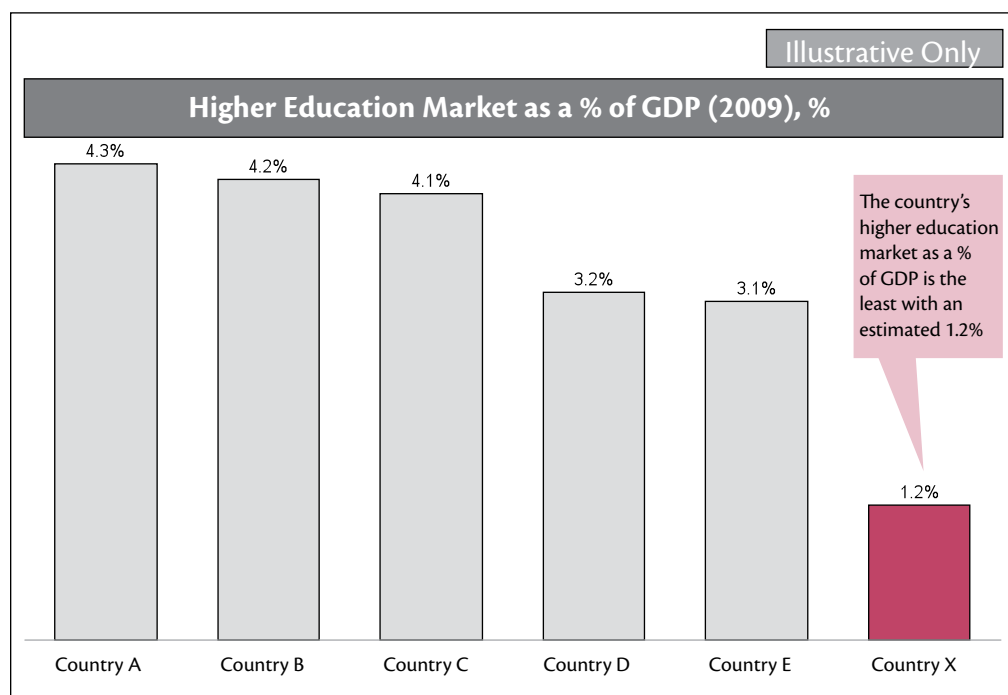
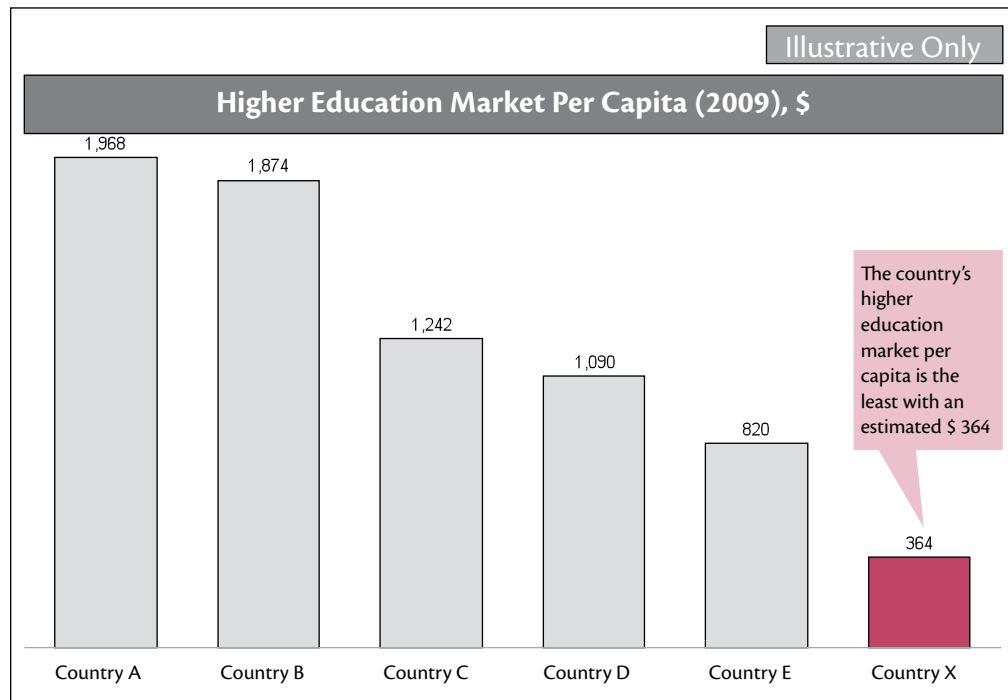
The team then identified potential countries where best practices in higher education are known to exist.

Gather Evidence

The team then conducted secondary and primary research and gathered the following benchmark data:



Case Example: Ministry of Education

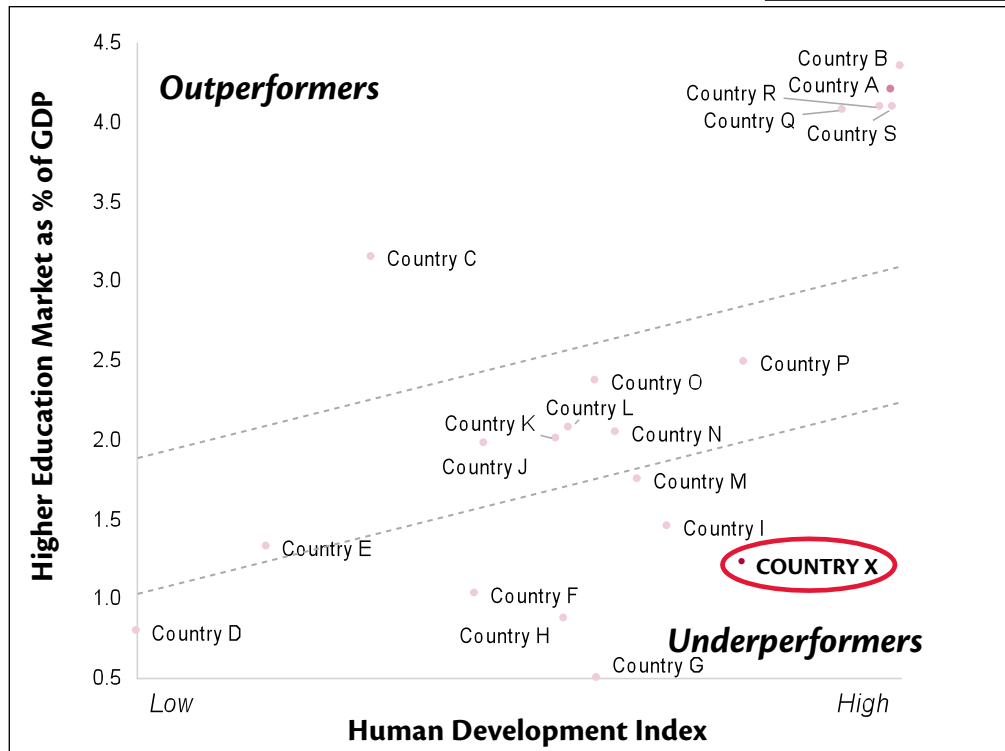


Case Example: Ministry of Education

Interpret Results

A series of interviews with education experts indicated that a researcher should expect a strong correlation between a country's Human Development Index (HDI) and its higher education spend, as higher education is a driver of future growth, countries with already high HDI's often are wanting to maintain it and thus pursue policies that push more GDP into higher education.

Illustrative Only



This benchmarking indicated that the country might wish to consider policies that promote higher educational spend, perhaps doubling the current rate

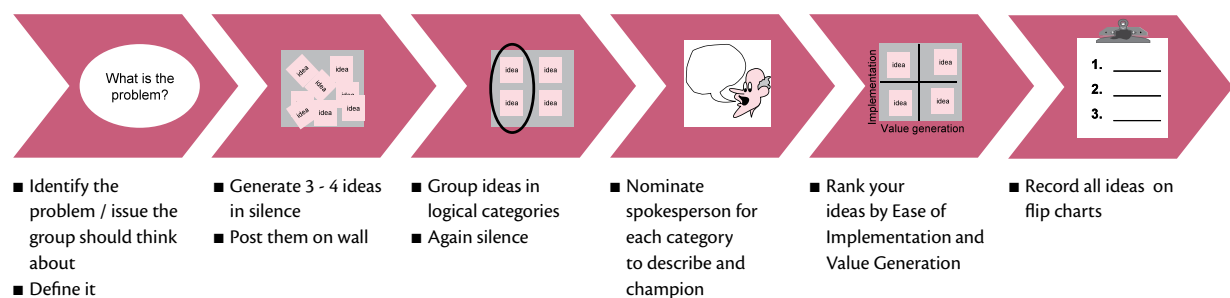
Structured Thinking Tools

During many stages of the strategy planning process, structured thinking is helpful to generate better and possibly more innovative solutions to an issue. Following are four tools that will help structure a team's thinking:

- **Brainstorming,**
- **PESTLE,**
- **Logic trees, and**
- **The concept of Mutually Exclusive, Collectively Exhaustive (MECE) thinking**

Brainstorming

Brainstorming is an idea development technique designed to generate a large number of ideas for the solution of a challenge. Brainstorming is a very popular tool in strategy work as it essentially expands the thinking to include all the dimensions of a challenging issue or problem. If used properly it generates many potential solutions in a short timeframe. A brainstorming process is outlined below:



Best practice for filtering ideas

- Specific rather than generic
- Addresses a real problem
- Can be measured
- Can be implemented

There are three basic rules in brainstorming. These are intended to reduce social inhibition among group members, stimulate idea generation and increase overall creativity of the group:

- 1. Encourage people to share thoughts:** individuals should be given confidence to express any of their (topic related) thoughts. The assumption is that the greater the number of ideas generated, the greater the chance of producing an innovative solution
- 2. Withhold criticism:** in brainstorming, criticism of ideas generated should be put 'on hold'. Instead, participants should focus on extending or adding to ideas. By suspending judgment, participants will feel free to generate good (sometimes radical) ideas

- 3. Welcome unusual ideas:** to get a good and longlist of ideas, unusual ideas are welcomed. They can be generated by looking from new perspectives and suspending assumptions. These new ways of thinking may provide better solutions

For the purposes of strategy work in a FGE, members of the strategy department team will be facilitating the brainstorming sessions. They are essentially helpers and enablers; their goal will be to help others in the brainstorming session.

When facilitating brainstorming sessions, it is useful to keep the following factors in mind:

- **Helping people understand why they are here:** this involves keeping the goal of the brainstorming session clear and reminding

others when they are off target. Bringing a sense of urgency and energy to the work is important.

- **Staying neutral to the content:** when in a facilitating role, the strategy department team must focus on the process and not influence the group's decision making unless specifically asked for their advice.
- **Championing ideas not individuals:** this involves treating individuals in the brainstorming sessions as equals.
- **Synthesizing:** this involves asking participants to build on each other's ideas, so collective thinking can emerge.
- **Paraphrasing to seek clarity:** this involves repeating what people say so that they know that their point was taken seriously and to let others hear their point a second time.
- **Summarizing periodically:** this involves offering concise and timely summaries of the discussion / ideas generated.
- **Using documentation and visualization tools (e.g. flip chart, blackboard, etc.):** this involves recording what participants have said to keep track of emerging ideas. Notes should be precise and concise.
- **Preparing resource material prior to the brainstorming session:** the strategy department team may need to prepare a short presentation on a topic in order to place the participants in a context before the brainstorming can begin.

PESTLE, an External Environmental Analysis Tool

A PESTLE is a structured analysis tool for looking at external influences on an entity. A PESTLE process does this structuring external issues from six perspectives; Political, Economical, Socio-cultural, Technological, Legal and Environmental.

The process is kicked off doing research on worldwide, regional and local events that may impact on an entities area of responsibility. A desk research (e.g. internet, reports) process might be supplemented by phone or in-person interviews with experts in the organization's field. These might include:

- **External experts / specialists:** these include economists, sociologists and possibly sector experts relevant to the organization that can give an outsider's perspective on the external environment
- **Representatives and / or reports from international agencies:** these might inform or set the FGE's standards (e.g. for the Ministry of Health, such an agency would be the World Health Organization) by shedding light on various trends
- **Internal specialists:** these include staff members from the organization itself, such as departmental heads or senior advisors

As part of the data gathering and analysis work, the following can be used as a checklist to prompt identification of influences from each of these PESTLE perspectives:

- How is the vision, mission and Federal agenda for the entity influenced by international or regional political changes? Will these changes make the FGE's work more or less difficult?
- What is the correlation between economic growth / decline and the services and policies of the FGE?
- How have recent social-cultural issues changed the way the FGE operates? What is the speculation about further change in this sphere?
- How could technology impact the entity portfolio?
- What are the legal factors that could affect the FGE's work?
- What international trends with regard to environmental issues will impact the FGE? How could the FGE's work be impacted by natural disasters?
- Which of these PESTLE factors will affect the FGE the most?
- Which of these are the most important at the present time and in the next few years?
- What factors did international organizations similar to our FGE identify?

A non exhaustive list of sample issues to consider while answering the above questions is shown below:

Factor	Sample Issues to consider
Political	<ul style="list-style-type: none"> ■ Taxation Policy (if applicable) ■ Local government / developed administrations ■ Political trends ■ Country reputation ■ Governmental relationships
Economic	<ul style="list-style-type: none"> ■ Business cycles ■ GDP trends ■ Interest rates ■ Inflation ■ Unemployment ■ Disposable income
Socio-cultural	<ul style="list-style-type: none"> ■ Population demographics ■ Social mobility ■ Lifestyle changes ■ Levels of education
Technological	<ul style="list-style-type: none"> ■ New discoveries ■ Speed of technological transfer ■ Rates of obsolescence
Legal	<ul style="list-style-type: none"> ■ International / regional agreements ■ Employment law ■ Health & safety law ■ Legislation
Environmental	<ul style="list-style-type: none"> ■ Environmental impact / legislation ■ Energy consumption ■ Waste disposal

The results from these two data gathering activities can be organized for background reading and / or developed into a presentation for a workshop or focus group, where a group

exercise to score how the FGE might be effected by each area of the PESTLE. A scoring template such as the one shown below can be used to quantify the views of the group:

Factor	Issue	Level of Impact	Nature of Impact	Time Frame
Political		High Low	Positive Negative	Long Term Medium Term Short Term

Where the columns represent:

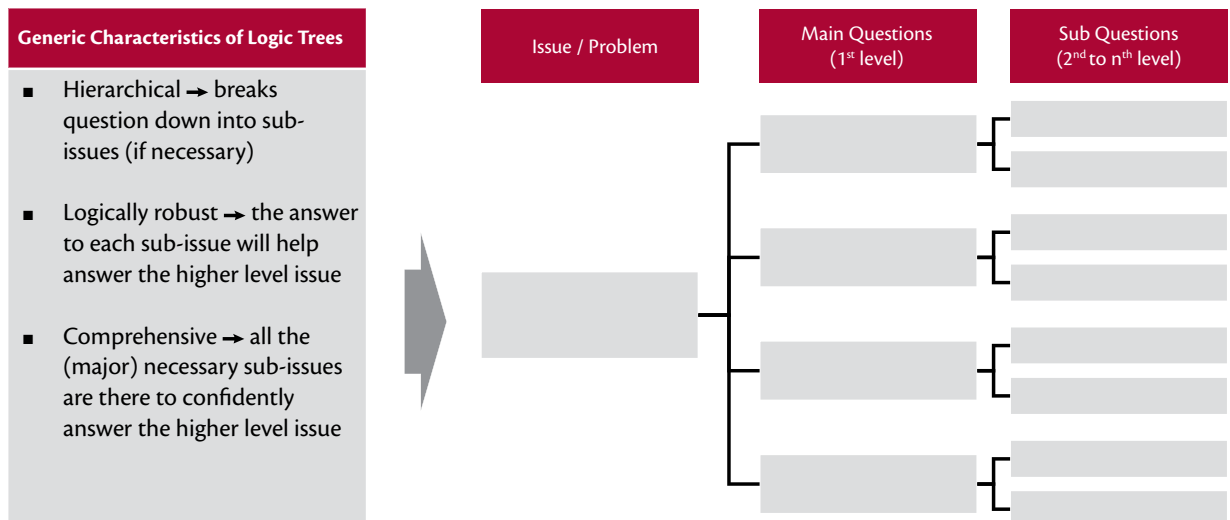
- **Factor:** this outlines the PESTLE factor (i.e. Political, Economical, Socio-cultural, Technological, Legal, and Environmental)
- **Issue:** this is a description of the issues within the PESTLE factors
- **Level of Impact:** this is an outline of the issues' level of impact on the project, and / or entity (High / Low)
- **Nature of Impact:** this is an outline of the type of impact that the issues' have on the project, and / or entity (Positive / Negative)
- **Time Frame:** this is an outline of the time amount that the issue is anticipated to have an impact on the project and / or entity (Long-term, Medium-term, Short-term)

Logic trees

Logic trees are another tool that can help structure thinking as they help to identify the main issue or question that the team should address and break it down into its smaller component parts (sub issues). For example, they can be used:

- To analyze specific issues / problems
- To develop MECE Strategic objectives
- To identify Key Success Factors for Strategic Objectives
- To cascade initiatives into activities

The figure below outlines the general characteristics of a logic tree:



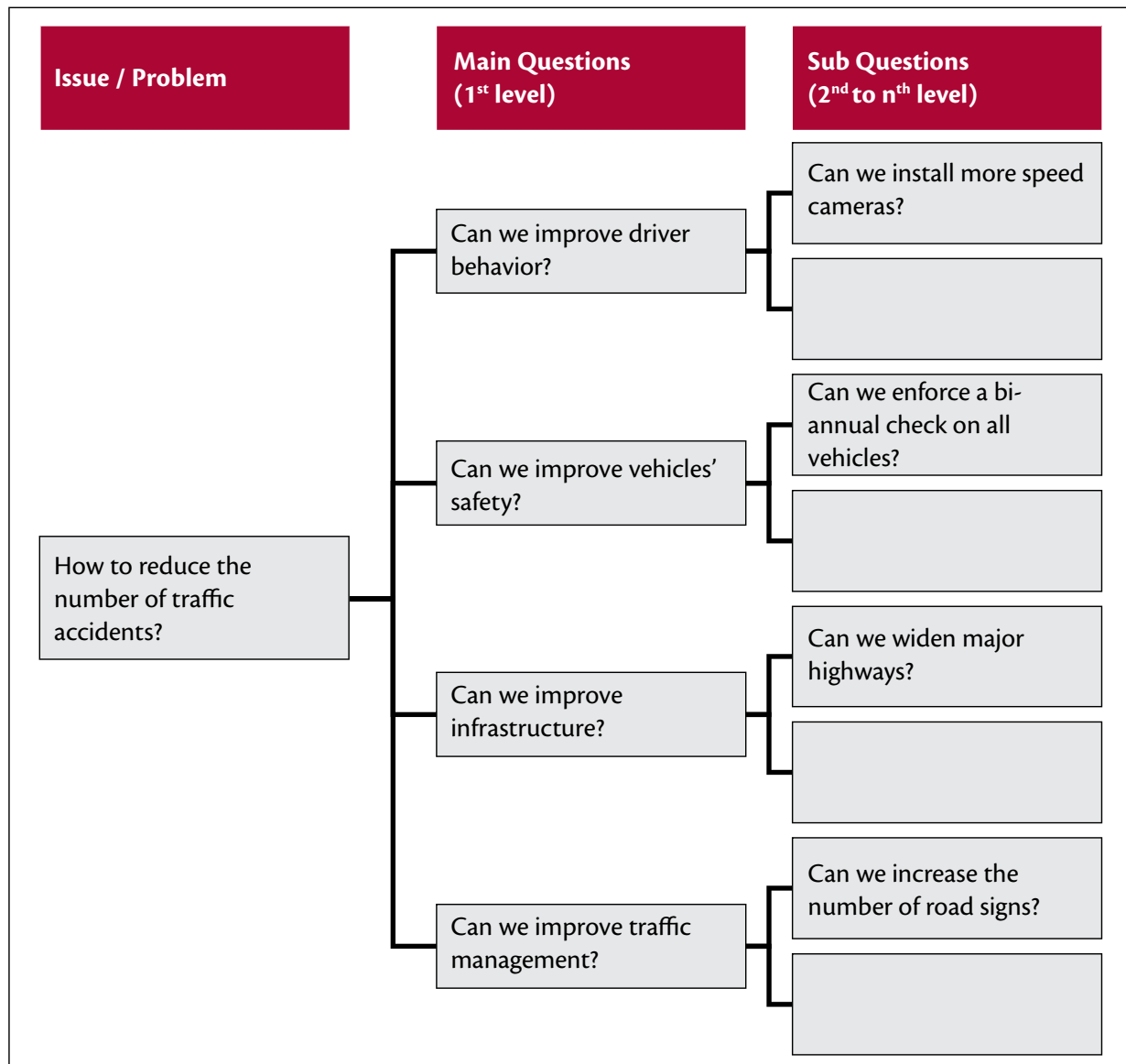
Before embarking on the detailed thinking, some time should be spent thinking through the overarching question(s) – main questions – through which the strategy department team is attempting to break down the main issue / problem. One way of creating this statement of the problem is to note down some of the areas of enquiry. The team should ask themselves what the main potential drivers associated with a particular problem are and then formulate

questions specific to each of these drivers (e.g. drivers for a high number of road accidents could be any of the following; drivers, cars, roads, traffic, etc.)

In most cases, the questions associated with each of the drivers would then need to be broken up into another layer of questions which in turn would be broken down into yet another layer of questions and so on.

Each time a question is broken out into lower level questions, these lower-level questions should together give the answer to the higher level question. Moreover, these lower level

questions should together cover all the issues needing to be resolved, but should not overlap each other. An example to illustrate this is shown below:



The concept of MECE

When breaking an issue or a problem down, the objective is to reach a MECE perspective, i.e. **M**utually **E**xclusive and **C**ollectively **E**xhaustive. Being MECE in the context of breaking down a problem means separating the problem into distinct, non-overlapping points (Mutually Exclusive) while making sure that no point relevant to the problem has been overlooked

(Collectively Exhaustive). Once the points have been identified, it is useful to ask the following questions to ensure that the points are MECE:

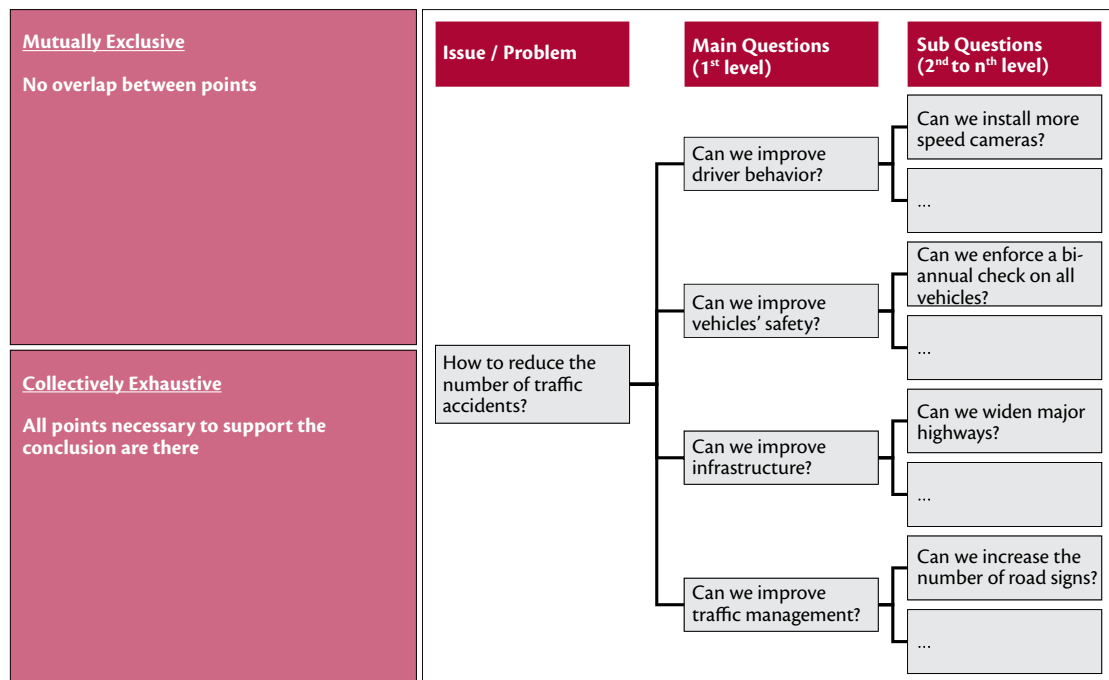
- Is each point a separate and distinct point?
- Does every aspect of the problem come under one (and only one) of the points identified?
- Has any point been missed?

Being MECE ensures that nothing is missed and helps structured thinking. However, getting to a MECE result does not necessarily mean overwhelming the team with the finest details; rather, it simply means that the problem is separated in such a way that overlaps are avoided while being complete.

In terms of completeness it is suggested to apply the common sense based 80/20 rule (also known

as Pareto Principle, as it was originated by the famous economist Vilfredo Pareto in the early 20th century). The rule states that for many events, roughly 80% of the effects come from 20% of the causes. Hence, once you identify the points that address roughly 80% of the problem, the remaining ones should be of a minor nature, not requiring the rigor of this exercise to ensure that the problem is fully solved.

Case Example: MECE



The logic tree shown above is an example of a MECE logic tree. When trying to answer the question: 'How to reduce the number of traffic accidents', the team identified the four distinct, non-overlapping points (improving driver behavior, improving vehicles' safety, improving infrastructure, improving traffic management) that collectively address the problem (how to reduce the number of traffic accidents).

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