Dubai Government

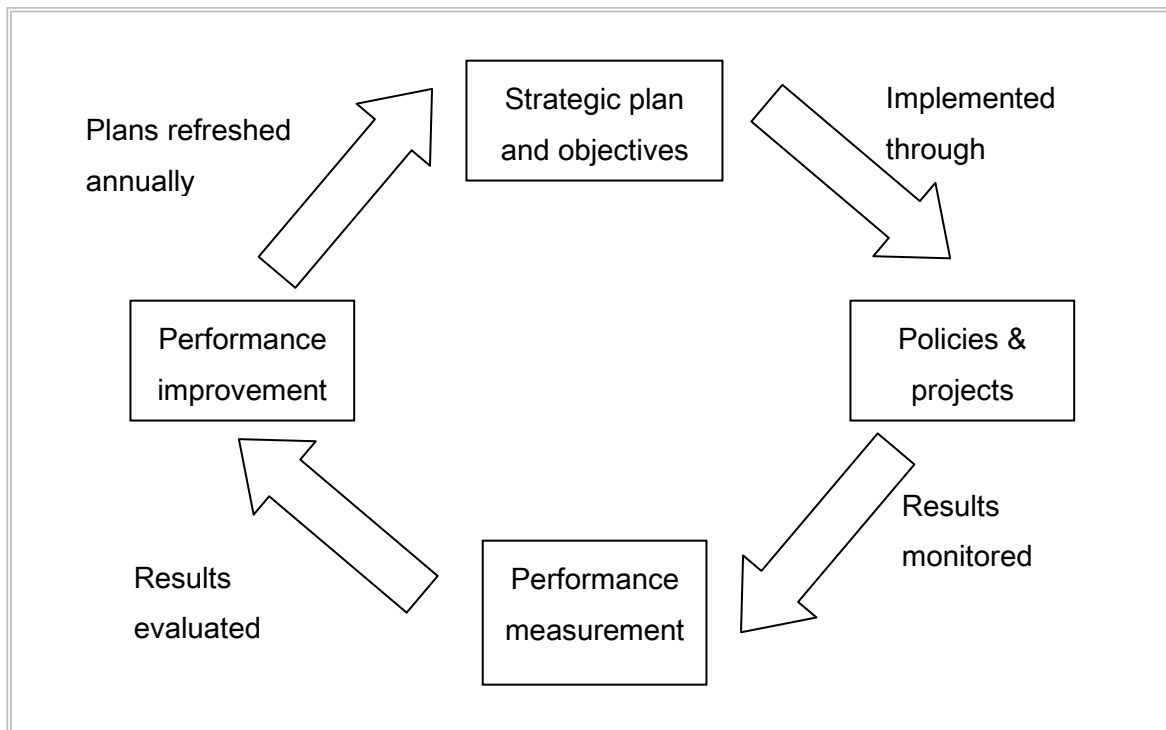# Strategic Planning Guide

Version 1A

30 March 2008

Foreword

This guide is designed for people working in Dubai Government Departments/Authorities. The guide explains what strategic planning is and sets out a series of phases and key steps that can be considered for the strengthening of strategic planning in Government Departments/Authorities. It is based on a combination of current good practices in Dubai and ideas adapted from other countries for use in Dubai. It provides guidance and is not mandatory.

How to use this guide

This guide should be used in conjunction with its sister guides on policy making and performance management. In some cases reference is made in this guide to more detailed explanations in the other two guides. The three processes of strategic planning, policy making and performance management together make up a unified framework for setting and delivering goals and objectives for Dubai, as shown below.

The processes of strategic planning, policy making and performance management

Feedback

The strategic planning, policy and performance management guides will continue to be updated and improved. If you have any comments or suggestions for improving the guides, or if you would like to receive the most up to date versions, please email the Policy & Strategy Department on policy.strategy@tec.gov.ae, or telephone 04-330-4444.

The Policy & Strategy Department are dedicated to fulfilling The Executive Council remit to work with Departments/Authorities to promote strategic thinking and improve policy making. They are responsible for the management guides.

GLOSSARY

Agenda risk	A risk inherent in carrying out the Department/Authority's responsibilities when they are inherently contradictory (c.f. environment risk, organisational risk, people risk)
Aims	Outcomes needed to bring about the desired future described in a vision (c.f. objectives)
Benchmarking	The process of comparing practices and performance levels within the Department/Authority, or with other Departments/Authorities or other cities / states to gain new insights and to identify opportunities for making performance improvement
Budget	A document that sets out the anticipated costs of delivering a policy, project or programme
Critical success factor	Something that must go well if the Department/Authority is to achieve its mission, vision, aims and objectives
Delivery Agency	The organisation which delivers products or services to the public - may be the same as the Department/Authority (c.f. Policy Authority)
Department/Authority	A Government Department/Authority in Dubai
Environmental risk	A risk arising from the operating environment of the Department/Authority which impacts on the delivery of service (c.f. agenda risk, organisational risk, people risk)
Evaluation	The periodic review of the performance of the Department/Authority and in-depth analysis of what can be done to improve performance (c.f. monitoring)
Key performance indicator	A quantifiable strategic performance measure of an activity, output or outcome that is critical to the success of the Department/Authority
Mission	The core purpose for the organisation's existence, i.e. what it is here to do
Monitoring	The regular on-going review of the performance of the Department/Authority, identifying problems and rectifying them (c.f. evaluation)

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Objectives	Those things that need to be achieved in order to achieve the aims of the Department/Authority
Operational performance indicator	A quantifiable operational performance measure that is cascaded down from a key performance indicator
Operational planning	The preparation of annual plans that show which activities, projects and programmes will be implemented in the coming year (c.f. strategic planning)
Organisational risk	A risk arising from the way the Department/Authority is organised (c.f. agenda risk, environment risk, people risk)
Outcome	The end result of what a Department/Authority does; the impact of providing the products and services of the Department/Authority
Output	The direct result of what a Department/Authority does, for example a product that is delivered or a service that is provided
People risk	A risk arising from individual staff or collective workforce actions which impact on the achievement of the objectives of the Department/Authority (c.f. agenda risk, environment risk, organisational risk)
Performance management	A practice by which organisations define, monitor and evaluate their performance with the end goal of improving their performance
PESTLE	Trends: Political, Economic, Social, Technological, Legal and Environmental
Policy	The translation of Government's political priorities and principles into a co-ordinated set of activities, projects and programmes to bring about a desired change
Policy Authority	The organisation which sets policy and oversees the delivery of products and services to the public - may be the same as the Department/Authority (c.f. Delivery Agency)
Programme	A group of projects which are connected and contribute to achieving the same aim or objective
Project	A set of actions that are implemented to achieve a specified benefit or objective
Risk	Anything which might prevent the achievement of objectives or aims
SMART	Specific, Measurable, Achievable, Relevant and Time-bound – usually applied to a key performance indicator

Stakeholders	All those groups who are affected by the work of the Department/Authority, e.g. customers, suppliers, strategic partners, staff etc
Strategy	An overall framework setting out direction and desired long term aims and objectives
Strategic aim	An aim set out in the strategic plan
Strategic objective	An objective set out in the strategic plan
Strategic partners	Other organisations with which the Department/Authority will work to achieve its strategic aims and objectives
Strategic planning	A process for defining aims, objectives and targets, in the light of the internal and external environment of the Department/Authority; and for determining how resources and staff will be deployed on projects and programmes **over the next 3 to 5 years** to achieve these aims, objectives and targets. Strategic plans should be accompanied by 3 year financial projections (c.f. operational planning)
SWOT	Strengths, Weaknesses, Opportunities and Threats – usually applied to analyse the internal and external environment facing the Department/Authority
Target	A planned level of performance
Value	A standard of behaviour or a quality considered worthwhile or desirable
Vision	An image of the desired future state of the Department/Authority

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ACRONYMS

CBA	Cost Benefit Analysis
CEA	Cost Effective Analysis
CIDA	Canadian International Development Agency
CoE	Council of Europe
CSF	Critical Success Factor
DGEP	Dubai Government Excellence Programme
DSP	Dubai Strategic Plan
EC	Executive Council
GoF	Government of the Future
HR	Human Resources
IT	Information Technology
KPI	Key Performance Indicator
MA	(Simple) Moving Averages
MoJ	Ministry of Justice
MoU	Memorandum of Understanding
NAO	National Audit Office
NGO	Non Government Organisation
OECD	Organisation for Economic Co-operation and Development
OPI	Operational Performance Indicator
OSCE	Organisation for Security and Cooperation in Europe
PESTLE	Political, Economic, Social, Technological, Legal & Environmental
SMART	Specific, Measurable, Achievable, Relevant & Time bound
SMT	Senior Management Team
SPPMU	Strategic Planning and Performance Management unit

SSAJP	Security, Safety and Access to Justice Programme (UK Department for International Development)
SWOT	Strengths, Weaknesses, Opportunities and Threats
TEC	The Executive Council
TOR	Terms of Reference
UAE	United Arab Emirates
UK	United Kingdom
UN	United Nations
VFM	Value for Money

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INTRODUCTION TO STRATEGIC PLANNING

0.1   What is strategic planning

Strategy formulation is the overall process of deciding where we want to get to, setting guiding principles and a vision of the desired future, and determining broadly how we are going to get there. A strategy provides a context and gives coherence to an organisation's actions.

Strategic planning (often used interchangeably with strategy) is a process for defining aims and objectives and determining how resources and staff will be used to achieve those aims and objectives. It is characterised by the following features:

- Planning helps a Government Department/Authority make choices - by thinking ahead and understanding the consequences of current actions
- It is a process of communication of intent, allocation of resources and prioritisation of management actions
- Plans are susceptible to the external environment and therefore need to be adaptable and flexible
- Strategic planning is an iterative and not a linear a process. This will become clear as you go through the various phases and steps in this guide
- Finally, strategic planning is collaborative in nature, involving all key stakeholders – both external and internal

There are several benefits of planning; the key ones being:
- It focuses on the really important issues for a Department (prioritisation)
- It is an effective communication tool, allowing the sharing of the Department's mission, vision and targets
- It allocates resources to the most productive ends
- It helps to facilitate change by making the pressures for change visible and assisting with the coordination of actions

There are two main types of plan:

Strategic

This is a rolling long term plan, commonly **3-5 years**, refreshed annually, which:

- Is a regular part of a planning cycle
- Defines the objectives, aims and purpose of the Department
- Sets out the means to achieve the objectives
- Is visionary, conceptual and directional
- Provides 3-year financial projections

Operating

This is a **1-year** plan, which:

- Is a regular part of a planning cycle
- Defines the expenditure and operational intentions during the year
- Is used as the basis for budgeting and performance monitoring during the year
- Will contain a number of project plans, some spanning more than one year

In addition to the above, there can also be infrastructure plans which although long term are not strategic plans. Examples of such plans include a roads plan or network plans which can be developed for a period of 10-20 years.

A strategic plan would typically contain the following:

- Executive summary
- Background
- Mission and values
- Where are we now
- How will the future influence us
- Vision and strategic aims
- Strategic objectives and targets
- How will we get there
- Key programmes of action
- How these will be delivered
- Financial forecasts

- Key risks in the delivery of the plan
- Annexes

This guide focuses on the development of a strategic plan. The development of operational plans is **not within the scope of this guide**.

0.2   Strategic planning, policy and performance management relationships

The terms strategy and policy are used in many different ways, and sometimes interchangeably. For the purposes of this guide, the following definitions are used:

- **Strategy** formulation is the overall process of deciding where we want to get to, setting guiding principles and a vision of the desired future, and determining broadly how we are going to get there. A strategy provides a context and gives coherence to individual actions.
- **Strategic planning** is a process for defining aims and objectives and determining how resources and staff will be used to achieve those aims and objectives in the next **3-5 years**.
- **Policy** provides the detail about how the specific actions of different players will be co-ordinated to deliver strategic objectives and aims. Often a number of different policies will need to be implemented together to achieve a particular strategic objective or aim.
- As policy is implemented, its impact will be monitored and evaluated, and through **performance management** the results will be reflected back in management decisions to adjust policy or plans and improve future performance.

Box 1 - The relationship between strategic planning, policy and performance management

Policy is the means by which the goals and objectives set in **strategic plans** are realised. **Performance management** is the way by which policy implementation is monitored and evaluated to feed back into **strategic planning** and thus into further policy formulation.

The following diagram shows how these three areas relate to each other.

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Figure 1 - The processes of strategic planning, policy making and performance management
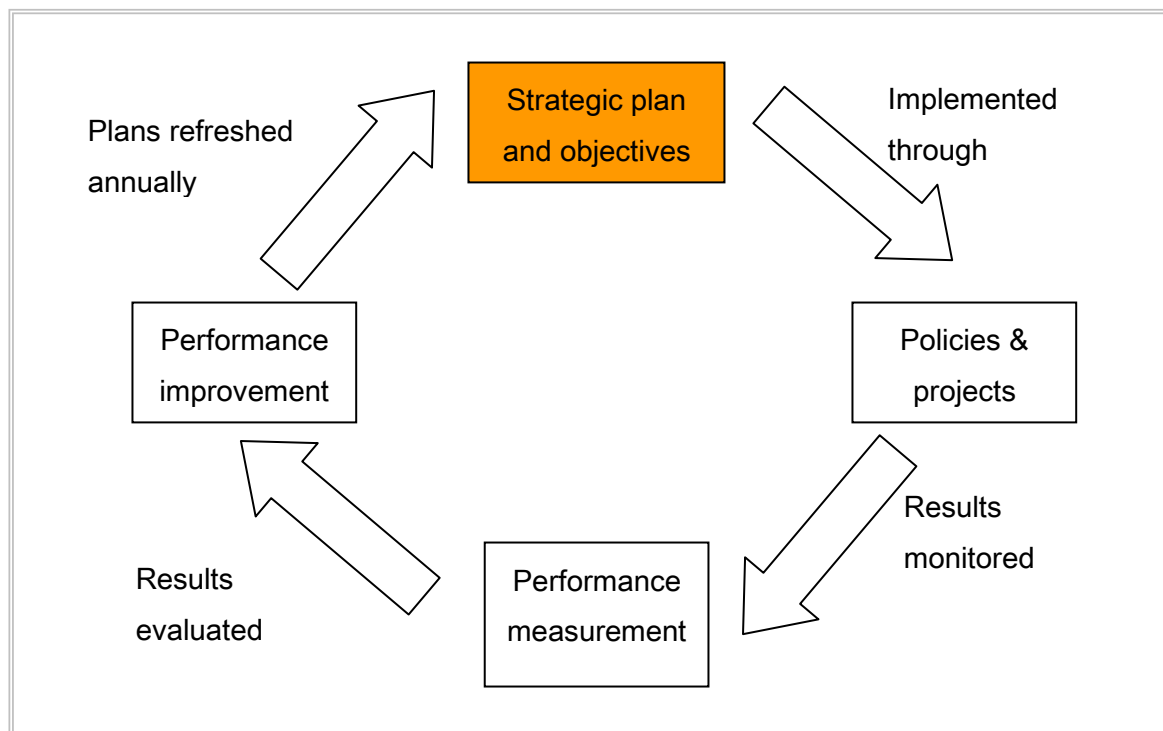
In very simple terms, a strategic plan addresses four key questions for an organisation:

Table 1 - The four key questions addressed by a strategy

1) Where are we now?	**Strategic planning** sets out where we are, where we want to be and how we will get there, and provides a high-level financial projection for the coming 3 years	
2) Where do we want to be?		
3) How will we get there?		**Policy making** assesses different options for 'getting there' and helps to provide the main content of projects and programmes for strategic plans.
4) How will we know when we have got there?	**Performance management** continually assesses whether we are on track and what we need to do differently in future to make sure that we 'get there'.	

0.3   Strategic planning framework in Dubai

Four new Sector Committees have been established to support the Executive Council (EC), each responsible for a major area of Government business. These Committees will develop Sector plans which set out series of objectives for:

- Economy and Trade
- Social Development
- Safety, Security and Justice
- Infrastructure, Land and Environment

Strategic planning in Dubai is driven by the Dubai Strategic Plan (DSP). This sets out the mission, vision and values as well the strategic aims for the Government of Dubai. Underpinning the DSP are the sector plans for the four sectors described above. These sector plans, in turn, are underpinned by more specific 3-5-year rolling strategic plans for each Government Department/Authority in Dubai. These Departmental plans contain strategic aims and objectives for the Department/Authority, targets in relation to the achievement of each of the objectives, and the programmes of work needed to deliver them. The Dubai Strategic Plan is expected to be updated every two years whilst **Department/Authority Plans will be refreshed annually**.

Implementation of Departments/Authorities' strategic plans is done through annual operational plans which spell out in detail how each programme of work will be delivered and what policies and projects are needed to achieve this. The operational plans are underpinned by correspondingly detailed budgets, issued by the Diwan.

There is an established performance management system in place. This system includes internal performance monitoring by the Departments/Authorities' management, by the TEC (on behalf of the Executive Council) and by the Dubai Government Excellence Programme (DGEP) which evaluates the management processes in place to deliver results. Remedial action as appropriate is taken by management. The results of performance management are fed back into the next planning round.

0.4   Strengthening strategic planning in Dubai

Over the past few years, Departments/Authorities in Dubai have improved the overall quality of their strategic plans. This process could be further strengthened by:

- Implementing an overall strategic planning framework, based on consistent approaches, assumptions, timescales, templates etc. across Departments/Authorities
- Achieving greater strategic and collaborative working between Departments/Authorities through Sector Committees
- Linking targets to strategic objectives
- Ensuring that strategic plans contain financial projections
- Linking the budget cycle to planning
- Strengthening capacity and capability within Departments/Authorities to undertake strategic planning
- Seeing and leveraging strategic planning as a tool to more effectively manage the business of Departments/Authorities
- Improving the availability and quality of data

This guide focuses on strategic planning. The **plan period is 3-5 years** which includes a **3-year financial projection**, as well as a detailed operational plan for the first year. The intention is that the plans will be updated annually. For example, for the planning period 2007-11, the strategic plan will cover the five years, with the first year (i.e. 2007) developed in greater detail than the following four years. In the next planning round 2008-12, the five year period will extend to cover an extra year (i.e. 2012), whilst the operational plan will be developed for 2008.

0.5   The strategic planning process - step by step

Developing a strategic plan calls for a structured approach. There are a number of steps involved which can be broadly categorised into six clear phases. Although there is a sequence to the phases and steps, as pointed out earlier, strategic planning is an iterative process and involves constant review.

Figure 2 - The strategic planning process - step by step

GETTING STARTED	WHO ARE WE?	WHERE ARE WE NOW? HOW WILL THE FUTURE INFLUENCE US?
WHERE DO WE WANT TO BE?	DEVELOPING THE STRATEGIC PLAN	HOW TO GET IT IMPLEMENTED
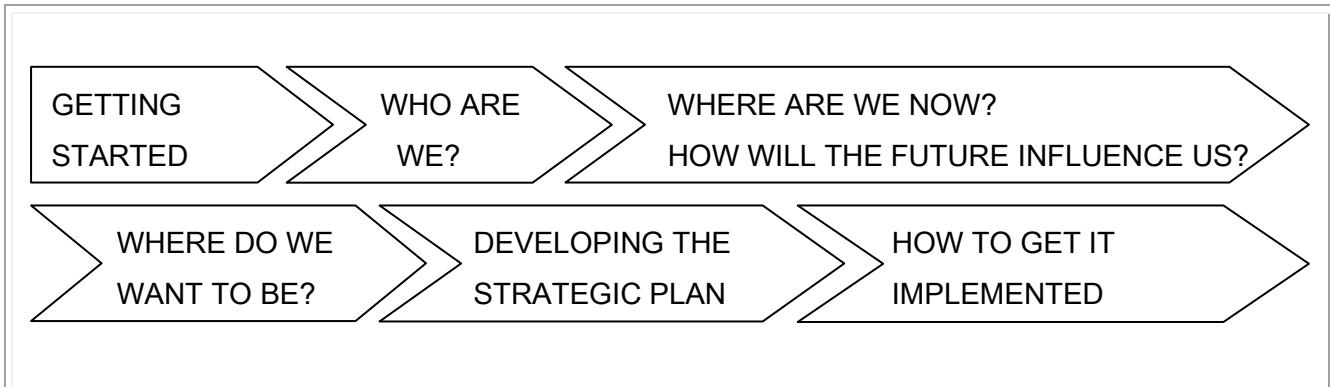
Table 2 - Objectives of the different phases

Phase 1 GETTING STARTED?	The objectives of this phase are to: Clearly define the scope of the exercise Develop a project plan to undertake strategic planning Identify the appropriate skills needed in the team Establish a team with clear roles and responsibilities Identify and involve key stakeholders Develop a communications plan
Phase 2 WHO ARE WE?	The objectives of this phase are to: Understand the core purpose of our organisation Articulate our mission / raison d'etre Develop and articulate our values
Phase 3A WHERE ARE WE NOW?	The objectives of this phase are to: Understand our organisation's current strengths and weaknesses (internal)

Phase 3B **HOW WILL THE FUTURE INFLUENCE US?**	**The objectives of this phase are:** Understand the environment in which we operate and how future trends will affect us, i.e. are what opportunities and risks that exist in the future environment (external)
Phase 4 **WHERE DO WE WANT TO BE?**	**The objectives for this phase are to:** Articulate our vision Define our strategic aims that support the achievement of the vision Develop our strategic objectives Develop and agree key performance indicators (KPIs) to measure performance Set targets for the KPIs
Phase 5 **HOW DO WE GET THERE?**	**The objectives of this phase are to:** Develop an agreed set of workstreams / projects to achieve our vision /aims and objectives **Develop high level budgets** for the period of the plan, typically 3 years Understand the risks inherent in implementing the plan and develop a risk management approach
Phase 6 **HOW TO GET THE PLAN IMPLEMENTED**	**The objectives of this phase are to:** Understand the critical success factors for implementation Improve planning in the future

The following table shows the duration, activities, stakeholder involvement and key skills associated with each phase of the strategic planning process. The remainder of this guide goes through each phase in more detail in turn. Annexes set out more detail on particular tools and templates.

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Table 3 – A summary of each phase of the strategic planning process

	1. Preparation	2. Who are we?	3A. Where are we now?	3B. How will the future affect us?	4. Where do we want to be?	5. How do we get there	6. How to get it implemented
DURATION	2-4 weeks	1-2 weeks	4-8 weeks (total for 3A and 3B)	4-8 weeks (total for 3A and 3B)	4-6 weeks	10-15 weeks	Ongoing
ACTIVITIES	o Establish a Strategic Planning unit in Dept/Auth o Identify a sponsor for the exercise o Clearly define the scope of the exercise o Develop a project plan to undertake strategic planning o Identify the appropriate skills needed in the team o Establish a team with clear roles and responsibilities o Identify and involve key stakeholders o Develop a communications plan	o Hold workshops to: Understand the core purpose of our organisation Articulate our Mission/ raison d'etre Develop and articulate our values o Develop framework linking inputs and outputs for the Dept/Auth	Hold workshops to undertake o SWOT analysis o PESTLE analysis o Prioritise results of SWOT and o PESTLE analysis o Analysis done for historic o Impact analysis o Scenario planning	Hold workshops to undertake o SWOT analysis o PESTLE analysis o Prioritise results of SWOT and o PESTLE analysis o Analysis done for future o Impact analysis Scenario planning	o Articulate the vision of the Dept/Auth o Define the strategic aims that support the achievement of the vision o Develop the Dept/Auth's strategic objectives? o Develop and agree KPIs to measure performance o Set targets for the aims and objectives	o Identify the potential programmes of work o Prioritise what goes into the plan o Sequence the programmes o Prepare financial projections o Manage risks	o Cascade objectives, KPIs and targets o Link to operational plans o Develop functional plans o Align with financial resources o Have an efficient performance management system o Link to the next planning round o Align the entire Dept/Auth o Improve strategic planning

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	1. Preparation	2. Who are we?	3A. Where are we now?	3B. How will the future affect us?	4. Where do we want to be?	5. How do we get there	6. How to get it implemented
STAKE-HOLDER INVOLVE-MENT	Involved in development o Core team Involved in contributing o Senior Management Team o Head of Strategic Planning o Key customers o Head of Communications o Representatives of other Depts/Auths, as appropriate Involved in approving o Director General o Senior Management Team	Involved in development o Core Team o Senior management Team Involved in contributing o Senior Management Team Involved in approving o Director General o Senior management Team	Involved in development o Core Team o Senior Management Team Involved in contributing o Key customers and suppliers o Industry experts Involved in approving o Senior Management Team	Involved in development o Core Team o Senior Management Team Involved in contributing o Key customers and suppliers o Industry experts Involved in approving o Senior Management Team	Involved in development o Core Team o Senior Management Team Involved in contributing o Key Customers and Suppliers (if appropriate) Involved in approving o Director General o Senior Management Team	Involved in development o Core Team o Programme Leaders o Functional Heads including Finance Involved in contributing o Senior Management team o Key customers and suppliers o Industry experts Involved in approving o Director General o Senior Management Team	Involved in Development o Senior management Team o Functional heads o Operational managers General Involved in contributing o Same as above Involved in Approving o Not applicable

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	1. Preparation	2. Who are we?	3A. Where are we now?	3B. How will the future affect us?	4. Where do we want to be?	5. How do we get there	6. How to get it implemented
SKILLS REQUIRED	o Planning skills o Team management o Project management o Negotiation skills o Stakeholder mangement	o Facilitating workshops o Communications skills o People management o Structured thinking	o Structured thinking o Data gathering & analysis o Communication skills o People/project management	o Structured thinking o Data gathering & analysis o Forecasting/scenario building o Communication skills o People/project management	o Structured thinking o Data gathering and analysis o KPI development o Benchmarking o Target setting o Communications skills o People / project management	o Analytical skills o Financial skills o Project management skills	o Project management o Financial management o Communications o Staff performance management o Remuneration management
TEMPLATES			o Templates for SWOT and PESTLE analysis (Annex 2, Annex 3 and Annex 4)	o Templates for SWOT and PESTLE analysis (Annex 2, Annex 3 and Annex 4)	o Balanced scorecard o Developing KPIs using the CSF methodology o Phased target setting (Annex 6)	o Prioritisation (Annex 7) o Sequencing the programmes o Strategic Plan (Annex 10) o Programme plan (Annex 11)	
TOOLS		o Business framework	o Using SWOT and Pestle	o Same as Phase 3A plus additional tools of Horizon scanning (Annex 5)	o Vision development o Developing strategic aims and objectives o Developing KPIs o Setting targets	o Prioritisation o Financial projections (Annex 8) o Managing Risks (Annex 9)	

PHASE 1 – Getting started

GETTING STARTED	WHO ARE WE?	WHERE ARE WE NOW? HOW WILL THE FUTURE INFLUENCE US?
WHERE DO WE WANT TO BE?	DEVELOPING THE STRATEGIC PLAN	HOW TO GET IT IMPLEMENTED

- ■ **Establishing a strategic planning unit within the organisation structure**
- ■ **Establishing the team**
- ■ **Developing a project plan**
- ■ **Developing a communications plan**

1.1   Introduction

Objectives

The objectives for this phase are to:

- Establish a strategic planning unit within the Directorate (if not existing)
- Establish a team of right size and skills
- Develop a project plan to undertake strategic planning
- Identify and involve key stakeholders
- Develop a communications plan

Duration

This phase should be completed within 2-4 weeks.

Stakeholders

- Director General and Senior Management Team of the Department/Authority
- Representatives of other Departments/Authorities as appropriate
- Key Customers and suppliers of the Department/Authority

- Head of Communications
- Head of Strategic Planning

Skills needed

- Planning skills
- Team management
- Project management
- Negotiation skills
- Stakeholder mangement

1.2 Establishing a strategic planning unit within the organisation structure

Before embarking on a strategic planning project, it is important that the Department/Authority has the right infrastructure in place. You should ensure that the people tasked with producing the plan have the right skills and reside in an appropriate unit within the Department/Authority. This should be led by a 'Head of Strategic Planning' who should ideally report to the Director General or someone very senior (represented at the Board level) within the Department/Authority. This unit can also usefully coordinate the development of a performance management unit to measure progress against the strategic plan. The unit might be called a Strategic Planning and Performance Management unit (SPPMU).

For strategic planning to be effective, it should be carried out as a project with all the attendant disciplines of project management. Preparation is the key to this.

1.3 Establishing the team

Team sponsor

At the outset, it is important for you to identify a high ranking, powerful sponsor for the strategic planning project. Such sponsorship secures commitment of senior managers and provides gravitas to the process. A high ranking sponsor can also bring knowledge and experience to validate ideas and draft plans as they emerge.

The team leader

The role of the team leader is to lead the people and manage the resources of the team to meet the project's goals. It is the team leader's responsibility to:

- Manage the project
- Build commitment and confidence in team members
- Establish constructive links with other units, departments/authorities and with external stakeholders
- Inspire, lead, coach and develop
- Take on responsibility for producing specific pieces of work, as appropriate.

The Head of the Strategic Planning Unit will usually be the Team Leader.

Team membership

The team should be motivated to a common purpose through strong demonstration of the critical need and tangible benefits of strategic planning. It is important for you to establish a team structure and to define roles and responsibilities of team members. You should also give consideration to the skills, knowledge and characteristics of team members in order to form a structure which minimises conflict and faciltates synergetic groupings.

Key issues for you to consider when recruiting a team include:

- Team size
- Team skills
- The recruitment process
- Stakeholder engagement

Team size

The size of the team is important - it should be large enough to encourage a mix of backgrounds and skills, but small enough for each person to be a crucial part of the team. Relatively small teams established especially for the project tend to arrive at better solutions

than single individuals or large teams. Smaller numbers also make it easier to develop a common purpose with mutual goals and mutual accountability. As a general rule, you should aim to form a core team of 4-6 in number.

The size and composition of the team is likely to vary over the length of the project, as different phases of work will require different levels of resources and different skills.

Strategic planning Team

Internal experts
(Within the Department but from other units e.g. financial modeller etc)
(Could be part or full-time, generally part-time)

Core team
These will be members of the Strategic Planning Unit within the De. The Team Leader will be the Head of Strategic Planning

External experts
A mix of external experts plus stakeholders, as appropriate
(Generally part-time)

Strategic planning team

Project sponsor
(Usually the Director General or someone very senior)

Figure 3 - Strategic planning team

Team skills

A multi-disciplinary team with the right mix of skills and experience will bring insights and fresh thinking. The team will normally consist of a core team who are working full time on the project plus a number of others who will be drafted in as appropriate. The full time team members will

usually be the staff of the Strategic Planning Unit. The team members drafted in will bring skills, knowledge and experience not resident in the core team; often they will be part-time. Team leaders also need to be aware of and manage the other demands on team members who are not full-time on the project.

Before beginning the recruitment process, you should encourage the team leader to draw up job profiles to help identify the breadth of skills and experience needed. These are:

- Specific domain knowledge or expertise in certain subject areas
- General analytical and conceptual ability
- Specialist statistical and economics skills
- Decision-making skills and project management experience
- Interpersonal skills
- Creativity skills
- Delivery experience.

The recruitment process

To enable the project to commence quickly, it is helpful to have identified potential candidates well before the start of the project. Team members will be a mix of the Strategic Planning Unit employees and others drafted in from outside. For team members to be recruited from outside, you should try to ensure that the team leader is given the final decision for this.

It is important to manage the workload of any internal candidates for the team by ensuring that real time is made available to them and that the project will not simply add to their existing workload. You can do this by identifying the part of their current workload that will be removed.

Stakeholder engagement

Identifying stakeholders - those affected by and capable of influencing the strategic plan - and their issues is necessary in order to understand the range of interests that need to be considered in developing and implementing the strategic plan.

Different stakeholders can perceive the same project and proposals in quite different ways depending on their vested interests, their particular priorities at the time and their experiences of the Department/Authority or of the people leading the work. Indeed, the concerns and objectives of different stakeholders and stakeholder groups are frequently in conflict.

When putting together a team, it is important for you to consider which stakeholder interests should be represented. It is desirable to bring into the team people from organisations and other government Departments/Authorities with a major interest in the subject area. These include:

- Users and customers of the Department/Authority
- Heads of other Departments/Authorities which may be impacted by elements of the strategic plan
- Private sector organisations and individuals who have a current or potential future vested interest in an area (for example, if they might be involved in the future delivery of goods and services of the Department/Authority)

Issues for you to consider include:
- Does the stakeholder in question have specific skills or knowledge that will allow them to make a genuine contribution to the team, or could the same knowledge be gained without having them on the team?
- Will the presence of a representative from one stakeholder group distort the project in any way?
- Is the individual available on a full or a part time basis?

1.4 Developing a project plan

Developing a project plan before engaging in the detailed work of producing the strategic plan has a number of benefits in that it:
- Helps forge a common vision across the team
- Provides coherency between different strands of the project
- Helps to think through tasks and anticipate potential blockages

- Highlights trade-offs on issues of time, budget, breadth and depth of analysis

- Helps anticipate long lead-time activities

- Helps manage key stakeholder expectations of what is in and out of the scope for the project, what the team is doing, and whether the project is on track

- Provides an 'anchor' when difficulties develop

A systematic step-by-step approach for you to consider for developing a project plan involves the following activities:

- Define the background to and drivers of the project

- Identify the project time scales and key milestones

- Define the individual work phases that will be required for delivery, the key milestones/events and aims/outputs from each work phase

- Identify the potential risks to the successful delivery of the project

- Determine whether and how the project is to be communicated within relevant departments and externally, and set out the reasoning for this

- Identify the assumptions you will be making regarding the project budget

- Identify the project governance arrangements: the sponsor and whether you will be having a project steering board and/or advisory group; and

- Identify success indicators.

As the project is planned it is particularly important for you to determine the appropriate governance structures. This should include identifying a sponsor (ideally the Director General or someone very senior) and deciding whether it is appropriate to establish a Steering Group. A sponsor helps to gain senior buy-in to the project from the outset, and also provides someone to consult about the acceptability of emerging conclusions and recommendations that will affect what goes into the strategic plan.

1.5 Developing a communications plan

A communication plan should set out the team's approach to handling both stakeholders and the media (if applicable) at all stages of the strategic planning process. The plan should clearly

identify activities, responsibilities and timescales. In developing this, you need to address the following:

Audience:

- What are the main audience groups that:
- Can make a difference to change happening (or not)?
- Are affected by what we are planning?

Methods:

- What is the best method of communicating to the audience group?
- What publications do they read?
- Who do they speak to?
- What communication channels do you know don't work?

Timing:

- Are there logical opportunities on the calendar you can exploit?
- When should you start?

1.6   Checklist

> **CHECKLIST – Phase 1: Getting started**
> **At the end of this phase, you should have:**
>
> ☐ Found a sponsor for the project
> ☐ Agreed the Terms of Reference and scope of the project
> ☐ Established the project structure and governance arrangements
> ☐ Established a project team of the right size and skills
> ☐ Identified the key stakeholders and a way of involving them
> ☐ Developed a communications plan
> ☐ Sent out a message from the Director General informing staff and stakeholders involved in the strategic planning process about what is being done

Box 2 - Phase 1 Checklist - Getting started

PHASE 2 –   Who are we?

GETTING STARTED	WHO ARE WE?	WHERE ARE WE NOW? HOW WILL THE FUTURE INFLUENCE US?

WHERE DO WE WANT TO BE?	DEVELOPING THE STRATEGIC PLAN	HOW TO GET IT IMPLEMENTED

■ **Establishing a context for the Department/Authority**

■ **Articulating a Mission / Raison d'etre**

■ **Defining values**

■ **Understanding the business of the Department/Authority**

2.1   Introduction

Objectives

The key objectives of this phase are to:

- Establish the context within which the Department/Authority operates
- Articulate the Department/Authority's mission / raison d'etre
- Develop the values underpinning the mission
- Understand the business framework of the Department/Authority

Duration

This phase should take 1-2 weeks.

Stakeholders

- The Department/Authority's Senior Management Team
-

Skills needed

- Facilitating workshops
- Communication skills
- People management
- Structured thinking

Tools and templates

- Brainstorming (Annex 1)
- The business framework

2.2 Establishing a context for the Department/Authority

A good starting point is the Dubai Strategic Plan (DSP) and the relevent sector plan underpinning it. The DSP sets out not only the mission, priorities, vision and strategic aims for the Government as a whole, but also provides the framework and context within which the Department/Authority will develop its own strategic plan. The objective of the Department/Authority's strategic planning exercise is to develop a plan which plays its part in delivering the DSP.

2.3 Articulating a mission / raison d'etre

The mission (or a raison d'etre) refers to the core reason for the Department/Authority's existence i.e. what it is here to do. This is not the same as objectives such as making a profit or keeping the customer satisfied, but a more fundamental reason. E.g. the Health Department/Authority may feel that it exists to '*Lead the improvement in the health of Dubai's population'*. A hospital, as it is more delivery focused, may feel that its mission is to '*provide quality care for its patients'*.

The strategic plan and the activities of a Department/Authority are all undertaken against the background of the mission statement. You must ensure that a mission statement exists. If not, it will be a good idea to hold a workshop with the Senior Management Team to agree one. In

developing this mission statement, it is important for you to ensure that it is aligned to the mission of the Government of Dubai.

Box 3 - Mission statement examples

Example of a good mission statement

Mission statement of a Health Authority in the UK

We will provide a high-quality service tailored to the needs of our local population complementing the services offered by our health and social care partners.

Example of a poor mission statement

We are in the healthcare business.

This latter mission statement merely says which 'industry they are in; it does not say anything about what it is here to deliver or achieve. It lacks clarity about 'core purpose'.

2.4   Defining values

Strategic planning is about identifying objectives and then planning to achieve them. It is also about the means by which these objectives are achieved. All organisations in government have a duty to have, and to be seen to have, the highest standards of integrity. It is therefore essential never to lose sight of the values which inform all actions, processes and plans. The values an organisation holds must be clearly defined, communicated and acted on. In defining the values for the Department/Authority, you also need to ensure that these values are aligned with those of the Government of Dubai.

Box 4 - Example of values

Values by which the Health Authority in the UK operates

- Respect and dignity for all
- Involvement of patients
- Openness, honesty and responsiveness

THE EXECUTIVE COUNCIL

- Pride in what we do

- Interest of the patient recognised above all others

If the Department/Authority does not have a clearly defined set of values, it will be a good idea for you to explore these at the workshop with the Senior Management Team.

2.5   Understanding the business of the Department/Authority

A Government Department/Authority is engaged in the provision of a wide range of goods and services to its customers. Part of knowing 'who we are' is about understanding the Department/Authority's business framework, i.e. how it delivers its outputs. It is a useful exercise for you to produce an 'output and outcomes map' to show how the business of the Department/Authority fits together. The map sets out, in diagrammatic form, the inputs of a Department/Authority on one side (such as staff, money, equipment) and shows how these are logically translated into a series of larger outputs. The outputs are the things that a Department/Authority delivers, such as 'vaccinated children' or 'maintained roads'. Outputs are under the managerial control of the Department/Authority. Once delivered, these should lead to the delivery of 'outcomes' which are beyond the direct control of the Department/Authority, but are the end objectives of what the Department/Authority is trying to achieve. Examples of 'outcomes' are 'diseases reduced' or 'road transport times decreased'.

An example of a Business Framework is shown in the Figure below. This framework is generic and can be applied to different Departments/Authorities.
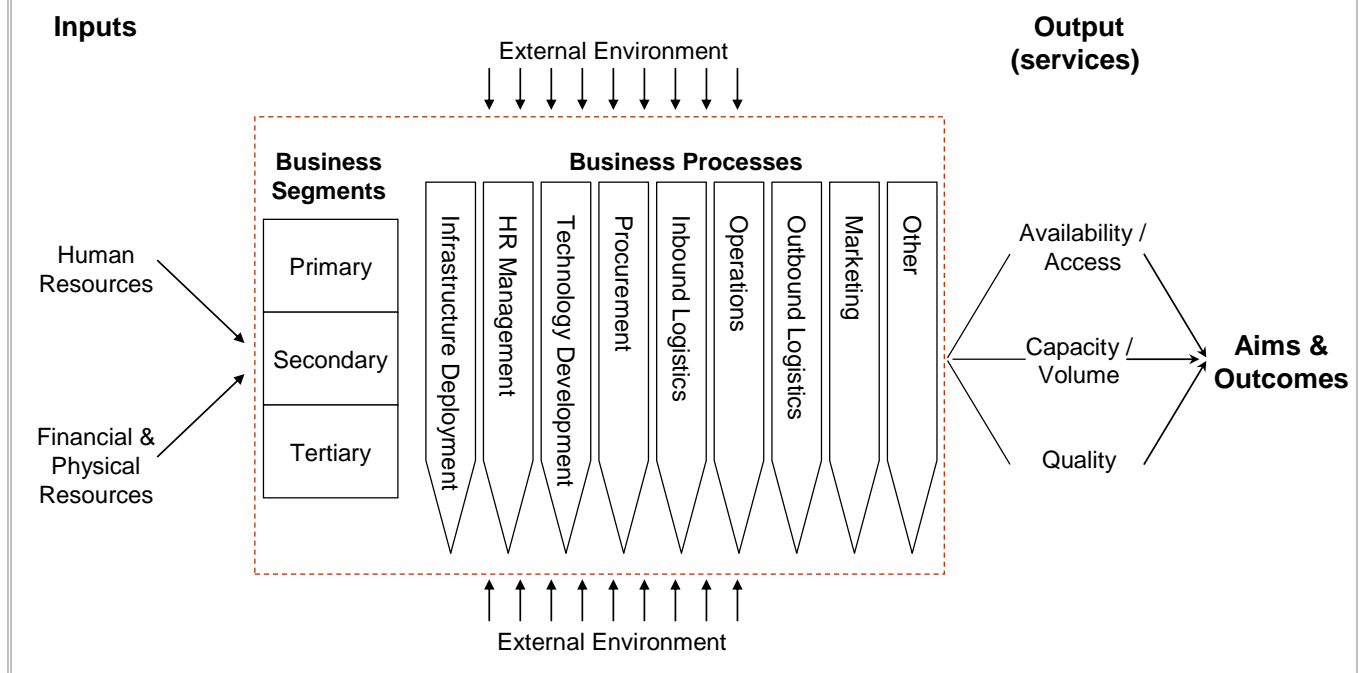
Figure 4 - Example of a business framework

The preparation of business framework or an outputs and outcomes map is best done as a participatory exercise by the strategic planning team. Brainstorming can be a useful technique to use (see Annex 1). The business framework is fundamental to understanding how the business of the Department/Authority operates. This framework is also consistent with the dimensions of the 'balanced scorecard' for measuring the performance of an organisation. The links between the two are as follows:

Dimension of balanced scorecard	Element of business framework
Customers and stakeholders	Outputs and outcomes
Employees	Human resource inputs
Financial and physical	Financial and physical resource inputs
Internal processes	Business processes

Table 4 - Links between balanced scorecard and business framework

You will need to refer to this framework often as you go through the process of strategic planning.

2.6 Checklist

CHECKLIST – Phase 2: Who are we?

At the end of this phase, you should have:

☐ Understood and articulated the Department/Authority's mission / raison d'etre
☐ Understood and articulated the values of your Department/Authority
☐ Ensured that the mission and values are aligned with that of the Government of Dubai, as articulated in the DSP
☐ Understood the framework within which the Department/Authority delivers its aims and objectives, and prepared a diagram to show this

Box 5 - Phase 2 Checklist - Who are we?

PHASE 3 – A – Where are we now? &
B – How will the future influence us?

GETTING STARTED	WHO ARE WE?	WHERE ARE WE NOW? HOW WILL THE FUTURE INFLUENCE US?

WHERE DO WE WANT TO BE?	DEVELOPING THE STRATEGIC PLAN	HOW TO GET IT IMPLEMENTED

- **Historical analysis (where are we now?)**
- **Forward analysis (how will the future influence us?)**

3.1   Introduction

Objectives

The key objectives of this phase are to:

- Understand how to use the tools for conducting an 'historic' and 'future' analysis
- Understand how future trends will affect the Department/Authority

Duration

This phase should take 4-8 weeks.

Stakeholders

- The Department/Authority's Senior Management Team
- Key customers and suppliers (if appropriate)
- Industry experts

Skills needed

- Structured thinking

- Data gathering & analysis

- Modelling tools

- Forecasting / scenario building

- Communication skills

- People / project management

- Benchmarking

Tools and templates

- SWOT analysis (Annexes 2 and 3)

- PESTLE analysis (Annex 4)

- Horizon scanning (Annex 5)

3.2   Overview

This phase undertakes a situation analysis by looking at the internal and external environment for the Department/Authority and the impact of this on its business. This phase has two components:

- Historic analysis (Phase 3A - where are we now?)

- Forward analysis (Phase 3B - how will the future influence us?)

The overall framework within which this situation analysis can be undertaken is shown in the diagram below.

Situation analysis

	Historic Analysis	Forward Analysis
Internal Analysis	Performance Reports Business Framework SWOT Analysis	Business Framework **SW**OT Analysis Scenario Planning
External Analysis	Performance Reports PESTLE Framework SWOT Analysis	PESTLE Framework SW**OT** Analysis Scenario Planning

Covers Department internal environment, i.e. elements that could be influenced

Covers Department external environment, i.e. elements that could not be influenced but have influence

Figure 5 - Situation analysis

In the rest of this phase, you can use this framework to undertake the historic and future situation analysis.

3.3   Historical analysis (where are we now?)

Strategic planning is about bridging the gap between where we are now and where we want to be at a point in the future. To do this, you need to develop a good and shared understanding of the core purpose for the Department/Authority's existence and the environment in which it functions. The first step is to take stock of the current situation. This involves understanding current performance, understanding the current operating environment and the organisation's internal capabilities, competencies and weaknesses. There are several tools to help you undertake this; the most popular ones being SWOT and PESTLE. These are simple and easy to use.

Using the tools

- SWOT analysis is a tool which is an analysis (both internal and external) of your organisation's **S**trengths, **W**eaknesses, **O**pportunities and **T**hreats. Strengths and weaknesses are internally focused while opportunities and threats are externally focused.

A SWOT analysis is best undertaken in a series of brainstorming sessions which include:

- Senior mangement,
- Operational management, and
- A mix of external stakeholders

If it is not possible for you to get external stakeholders to come together in groups, it can be done by asking them to identify (in a series of individual meetings) what they see as the key strengths, weaknesses, opportunities and threats.

The ground rules for a good SWOT analysis are as follows:

- Focused
- Define the area to be evaluated; the more carefully this is done the more productive the analysis will be. It is better to have many focused SWOTs building into a global picture and strategy. Examples of areas to be evaluated include different functions (marketing, finance etc.), different processes (how we handle our procurement, customer management etc.) and different services (primary care, secondary care and tertiary care in the case of a Department of Health)
- Focus on the critical issue
- Use of concise, not loose terminology

- Shared vision
- Ensure a participative process to build common ownership
- Cover all points comprehensively to get richer results
- Develop a common view of the world and how the Department/Authority fits into it

- Customer orientation
- Ensure that the strengths and weaknesses listed are valued by the customers of the Department/Authority

- Environmental analysis (i.e. opportunities and threats)
- Make sure that these exist in the environment not in the Department/Authority

Check that these factors do not depend on the actions of management.

As mentioned above, it is important that the SWOT analysis is focused. One way of doing this is for you to think about the strengths and weanesses along the dimensions of the balanced scorecard or your business framework described in Phase 2.

Internal analysis

The process of conducting an analysis of your Department/Authority's current strengths and weaknesses consists of the following steps:

- Decide the areas for which the analysis is to be undertaken. In doing so, you should review your Business Framework discussed in Phase 2. In the Healthcare example, you may wish to consider the various services, i.e. primary care, secondary care, and tertiary care. As mentioned previously, it is better to do a number of SWOT analyses for each of the different areas rather that one for the organisation as a whole. The focused approach gives better results in terms of understanding the underlying issues.
- Collect information on the past and current performance for the area for which you are conducting a SWOT analysis. This will allow you to understand both how the Department/Authority is performing and, more importantly, the underlying strengths and weaknesses which are leading to that level of over or under performance.
- Use the above information as an input to a workshop in which the stregths and weaknesses of the area being discussed will be identified. At the same workshop you should also look at what opportunities and threats exist in the current environment. This

is based on the views of the participants in the various brainstroming sessions and is often anecdotal. This anecdotal information is then validated with evidence.

- Ensure that when reviewing the internal strengths and weaknesses of your organisation, you not only identify what these are, but you also understand how much they are capable of affecting the organisation. Clearly not all strengths and weaknesses are equally important. There are tools to help to understand the relative importance of each strength and weakness and, in turn, enable you to prioritise your efforts in dealing with these. This tool (which assesses both the degree of strength and weakness for each factor and its possible impact) will allow you to achieve this. In conducting this analysis, you will find it useful to analyse the factors in line with the four dimensions of your business framework or the balanced scorecard used in Dubai, i.e. customers and stakeholders, employees, internal processes and, financial and physical.
- Prioritise the various factors based on the scoring system.

An example covering the above internal analysis is presented in Annex 2, based on an example of an NHS hospital.

External analysis

PESTLE is another tool that you can use. It allows you to analyse the influence on your Department/Authority of a number of external trends:

Political	Global, UAE, Dubai, local and community trends
Economic	World, UAE, Dubai and local trends
Social	Developments in society – culture, behaviour expectations, composition etc
Technological	Developments in computer hardware, software, aplications, other equipment, materials, products and processes etc.
Legal	World, UAE, Dubai legislation changes and prospects
Environmental	Global, UAE, Dubai and local pressures, movements

In undertaking the historical analysis, PESTLE looks at current trends and how they are affecting the Department/Authority. Like the SWOT analysis, you can use this tool in a brainstorming session. Having identified the trends, the next step is to analyse them into opportunities and threats. Annex 3 contains a tool which will help you understand the relative importance of each of the external trends and will assist you in tailoring your response accordingly. As with Annex 2, the example used in Annex 3 refers to an NHS Hospital providing secondary care.

3.4   Forward analysis (how will the future influence us?)

Once you have undertaken an analysis of the current internal and external environment, the next step for you is to understand the future trends in the internal and external environment and understand their likely impact on your Department/Authority. Some of this information may be available in the DSP and sector strategic plans, but you will need to complement this with brainstorming sessions (see Annex 1).

Using the tools

As in the case of the historic analysis, you will need to use the SWOT and PESTLE analysis.

Internal analysis

To explore the impact of future trends on your Department/Authority internally, it is useful to analyse the trends into strengths and weaknesses. For this it is useful to assess each trend against the elements of your business framework or the dimensions of the balanced scorecard. Examples of internal changes may include a significant number of highly skilled staff (HR inputs) coming up for retirement or the need to make major investments in plant and machinery (financial and physical resource inputs) which are coming to the end of their economic life in the next few years.

With this information, you will be able to build scenarios of what the organisation could look like internally as a result of the impact of these future trends. This will help you to undertake scenario planning.

External analysis

Looking at the external trends, you can use the PESTLE framework to forecast the impact of these on the Department/Authority's future activities. In undertaking the PESTLE analysis, you should involve people who have an understanding of the external environment in relation to the business of your Department/Authority and of the possible impact of these trends on your Department/Authority. For example, in the case of healthcare, these trends may include technological developments which could impact on the way in which the Health Department would need to deliver its services in future.

In addition, there is other information which you can use on the internet and in various publications from international organistions such as OECD, Economist Intelligence Unit, UN and World Bank reports etc., which forecast a number of global trends. Examples of useful information that this could provide include projections of oil prices, changes to patterns in work arising from technological innovations, demographic changes etc.

The process of developing future scenarios will help you understand the implications of these scenarios for your Department/Authority. Depending upon the nature of the future trends, you may need the help of some experts who will be able to articulate what these mean for the future business of your Department/Authority. Again, they will be able to assist you in building up a future scenario of your business.

Annex 4 contains an example of a PESTLE analysis of future trends.

Horizon scanning is a complementary tool to PESTLE and involves an assessment of future social, economic, technological, environmental, political and other factors that are likely to have an impact on the work of the Department/Authority. The analysis can be used to help to stay 'one step ahead' and to address likely future scenarios in policy making and strategic planning. You can use modelling tools to look at various scenarios in the future. You can do this using a 'what if' analysis. More details about horizon scanning are presented in Annex 5.

3.5 Checklist

CHECKLIST – Phase 3: Where are we now; how will the future influence us?

At the end of this phase, you should have:

- ☐ Undertaken a SWOT analysis for both historical and future perspectives
- ☐ Undertaken a PESTLE analysis for both historical and future perspectives
- ☐ Developed a good understanding of your current situation and the impact of future trends upon your Department/Authority
- ☐ Prioritised strengths and weaknesses as well as opportunities and threats
- ☐ Involved 'experts' in undertaking the horizon scanning / scenario planning

Box 6 - Phase 3 Checklist - Where are we now, how will the future influence us?

PHASE 4 – Where do we want to be?

GETTING STARTED	WHO ARE WE?	WHERE ARE WE NOW? HOW WILL THE FUTURE INFLUENCE US?

WHERE DO WE WANT TO BE?	DEVELOPING THE STRATEGIC PLAN	HOW TO GET IT IMPLEMENTED
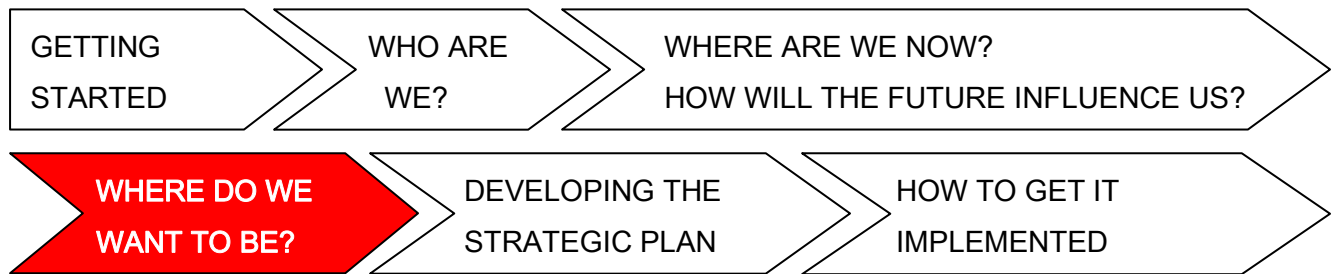
■ Developing a vision

■ Developing strategic aims and objectives

■ Developing KPIs

■ Setting targets

4.1   Introduction

Objectives

The key objectives of this phase are to:

- Develop the vision of the Department/Authority
- Develop the strategic aims and objectives for the Department/Authority
- Develop KPIs to measure performance
- Set targets for the aims and objectives

Duration

This phase should take 4-6 weeks.

Stakeholders

- The Department/Authority's Senior Management Team
- Key customers and suppliers (if appropriate)

Skills needed

- Structured thinking
- Data gathering & analysis
- KPI development
- Benchmarking
- Target setting
- Communication skills
- People/project management

Tools and templates

- Phased target setting (Annex 6)
- Balanced scorecard
- Developing KPIs using the CSF methodology

4.2   Developing a vision

The first step in this phase is to develop a vision for your Department/Authority. A vision is defined as a view of the future state of the Department/Authority which stretches, inspires, and directs, and which drives organisational transformation and behavioural change. More detail is given in the box below.

A good vision: What does it do:

Stretches	Is forward-looking
	Is far-reaching
	Appears tough to achieve

Inspires	Means something to people
	Excites
	Is consistent with Departmental aspirations and values
Directs	Is translatable into new ways of working
	Provides a way of performing better
	Is distinctive and hard to replicate

Table 5 - A good vision

Developing a vision is like painting a picture of what your Department/Authority will look like if it is successful. You will need to think about customers, products, markets, processes, staffing etc. Another way of this categorisation is to think about the four dimensions of the balanced Scorecard used in Dubai – stakeholders and customers, employees, internal processess, and financial and physical. It is a good idea for you to make a list of how the Department/Authority might look like under each of these headings. The vision should incorporate all these aspects. The process of phrasing the vision should then begin. The phrasing does not have to include words such as customers, products etc, but it must be clear that these are implicit in the vision. Finally, in phrasing a vision, it is helpful for you to preface the statement with the words " to be seen as…". For example British Airways' vision is:

(To be seen as) "The world's favourite airline"

The process of agreeing the key elements of a vision is best done in a group, usually involving senior mangement and, where appropriate, representatatives of key stakeholders. It is an iterative process and you may develop several before you get agreement on the one that the key participants involved feel comfortable with. The important thing is that it must represent 'what success will look like'. Once the vision is agreed, you should communicate it widely to all key stakeholders of the Department/Authority, especially to staff who are most involved in delivering it.

It is also important to note that the vision is a state of being, it does not have an end point. In the example of British Airways above, the vision is not time bound.

Continuing with the theme of an NHS hospital in the UK, an example of a vision is:

"(to be seen as) A first class hospital for our community"

This incorporates the key elements of the balanced scorecard:

Stakeholders and Customers: The patients will receive a first class service. Customer satisfaction is therefore fundamental

Employees: Unless the staff are highly skilled and motivated, it is not possible to deliver the first class service

Internal processes: Only an organisation with excellent and robust processes will have the ability to deliver an efficient service

Financial and physical: If the hospital is not financially viable, it will not survive and hence will not deliver the 'first class service'

Finally, it is important that the vision of your Department/Authority is consistent with the vision for Dubai, as contained in the DSP.

4.3   Developing strategic aims and objectives

Having developed and agreed the vision, you will need to explictly state the Department/Authority's strategic aims for the medium and long term. These aims should relate to the expectations and requirements of key stakeholders and reflect the underlying reasons for running the Department/Authority. The reasons will cover customer service, profitability, growth and other dimensions.

You will be able to identify some aims by reviewing the DSP and the relevant sector plans. The process of developing other aims will involve taking the vision and mission of the Department/Authority as a starting point and identifying the critical success factors (CSFs)

underpinning the achievement of the mission and vision. Critical success factors are those key things that must go right for an organisation to achieve its vision and to deliver its mission in the best way possible.

The development of CSFs for the Department/Authority should be undertaken by the Directors and Senior Management Team. The Group should be no more than 10-12 strong and should include all key functional heads. They should all be asked to come up with 3 CSFs for the Department/Authority (not just for their area of responsibility). Usually from this process you will get several people (quite rightly) duplicating each other. In a group of 10, you might have approximately 12-15 CSFs. You can use brainstorming techniques as set out in Annex 1.

In developing these CSFs, it will be useful for you to think about your business framework which shows the linkages between inputs, outputs and outcomes. You had previously used this framework for the SWOT analysis and you will find that a lot of the issues which arose when undertaking the SWOT analysis are useful to you in undertaking this exercise.

The next step is to take each of the 12-15 CSFs and see if they can be grouped in any way. Having done this, the final step is to subject these CSFs to a 'what if' test, i.e. what will happen if this CSF is not achieved. Through a process of robust challenges, you should expect to have 5-6 CSFs that everyone agrees are fundamental to the achievement of the vision. In rare circumstances there can be more than 5-6 CSFs, but there should never be more than ten. If more than ten are identified, they cannot all be critical and you will need to review the list. You will very likely need two sessions with this group. Ideally, each session should last for no more than half a day.

Having agreed the CSFs, the next step is to develop the strategic aims for the Department/Authority. The critical success factors identified should be phrased to read like strategic aims.
Having established the strategic aims of the Department/Authority, the next stage is to develop underpinning strategic objectives. Using the same 'CSF approach' above, you should develop the strategic objectives for the Department/Authority. It is very helpful for you to think about the strategic objectives in terms of the four dimensions of the balanced scorecard in Dubai i.e.

stakeholders and customers, employees, internal processes, and financial and physical. This approach is consistent with the vision which was also developed with reference to these four dimensions.

You should ensure that both the aims and the associated objectives are:

- Not too many - around 6 strategic aims and an average of 3 strategic objectives per aim will be appropriate;
- Considered over a medium-term period of 3-5 years; and
- Properly aligned with the Department/Authority's mission, vision and core values.

It is useful to prepare a brief description of each strategic aim and objective, presented so as to make them as comprehensible as possible. To achieve this, the description should explain the rationale behind the choice of the respective aim / objective by discussing the motivation for each aim / objective, including the problem that you are trying to solve and the benefits to be derived from the achievement of the aim / objective.

The example in the box below shows how strategic aims and objectives can be cascaded down from the Department/Authority's mission, vision and CSFs.

NHS Health Authority

Mission

We will provide a high quality service tailored to the needs of our local population, complemented by the services offered by our health and social care partners

Vision

First class hospitals for our community

Example critical success factor

A high quality clinical service

Example strategic aim

To deliver a high quality clinical service which meets the expectations of customers

Example strategic objectives

- To achieve the access targets contained in the patient's charter
- To provide treatment at the patients' hospital of choice

Table 6 – Example cascading of CSFs, aims and objectives

Once all the CSFs have been translated into strategic aims and objectives, it is important for you to cross check that relevant objectives contained in the DSP and Sector Plans are adequately reflected.

It is good practice that each objective has a specific person nominated as being responsible for delivering it successfully.

An example of how a strategic aim can be translated into objectives at various levels is shown in the figure below. This example relates to a Road and Transport Authority and the strategic aim is to 'reduce road congestion'.

Figure 6 – Example cascading of objectives

Objective cascade diagram
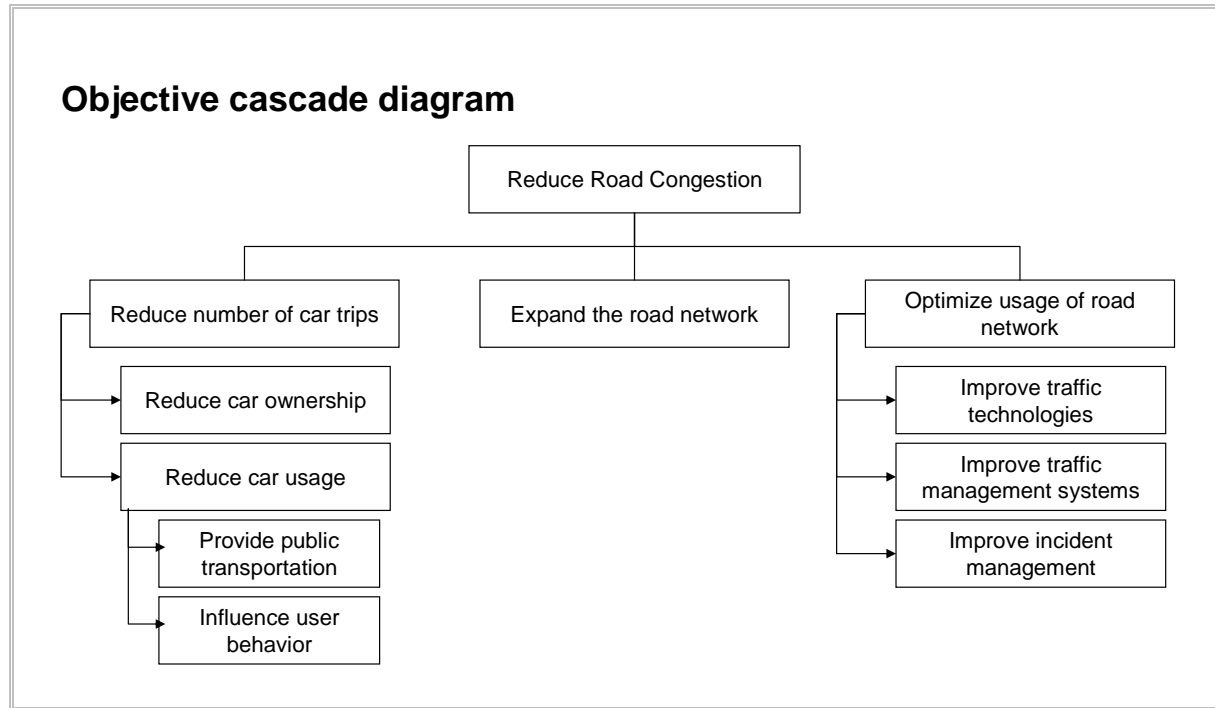
4.4   Developing KPIs

Key performance indicators (KPIs) measure the achievement of the Department/Authority's strategic aims and objectives. KPIs are normally phrased in terms of a number or percentage. For example, a strategic objective for a Health Authority might be 'to provide treatment at patients' hospital of choice'. The KPI might be phrased as 'the % of patients who receive treatments at their first choice hospital'.

You will need to develop KPIs for each strategic objective of the Department/Authority. KPIs need to be as specific as possible and should be relatively easy to measure. You will need to develop and agree them in consultation with the Senior Management Team of the Department/Authority.

In deciding on KPIs to measure the achievement of aims and objectives, organisations often try to identify those which are being used already or which are easily available. However, the fundamental check of whether or not a KPI is relevant is to see if it can be traced to the delivery

of the mission and vision. The diagram below illustrates this relationship between the mission and vision and the KPIs being used.

Figure 7 - Relationship between the Mission and Vision and the KPIs being used
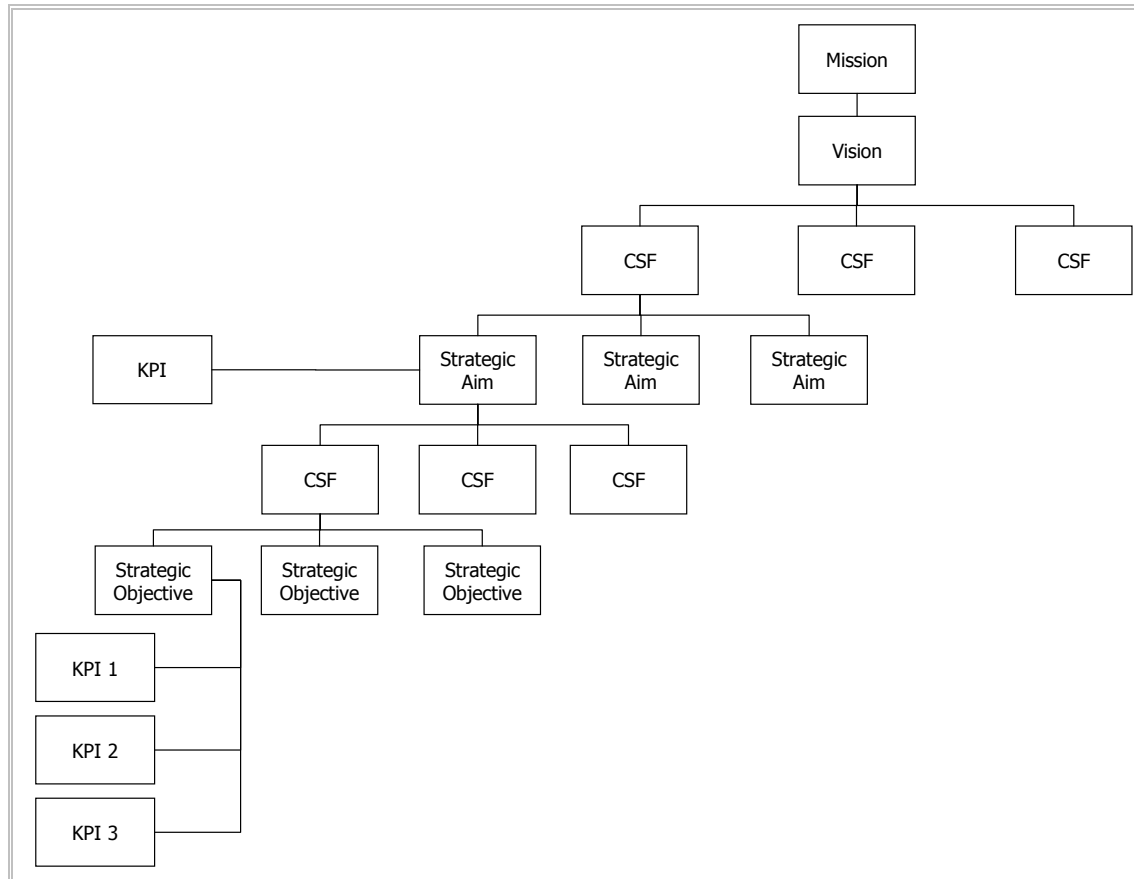
In developing KPIs, you will need to look at each strategic aim and its associated objectives. The next step is to convene the group of people responsible for delivering each objective within a particular strategic aim. In line with what was agreed earlier, you should have a group of 5-6 people in each group.

This group should meet for facilitated sessions in which the members should be asked to identify the 3 critical success factors for the achievement of each objective. It is useful to have a group view on this and it will help if there are several people with specialist knowledge

contributing to the discussions. After a process of challenge and filtering, the group should be able to identify the three most critical success factors for the achievement of the objective.

Finally, you will need to work with the group to develop a KPI to measure how the achievement of a CSF could be measured. A simple tool is to take each CSF and to think of the key action needed to deliver it. The KPI would be one which measures the success of that action.

You will need to do this for each strategic aim and related objectives. An example is presented below.

Table 7 - Example of CSFs and KPIs

UK Government Department for Environment, Food and Rural Affairs

Strategic outcome: reduction in UK's contribution to global climate change by cutting greenhouse gas emissions.

A key **overall indicator** of progress towards this outcome would be reduction in carbon emissions by the domestic (household) sector.

Critical success factors would include the uptake of energy efficient technologies by households. **KPIs** that address this CSF would include the proportion of new homes that comply with energy efficient building regulations or the increase in sales of roof insulation materials.

A useful check is to see if the KPIs developed fall into the four dimensions of the balanced scorecard. Given that the vision and strategic aims were developed with reference to the balanced scorecard, your KPIs should reflect this.

One final word of caution is needed. There is a fine balance to be made between generating an all-encompassing set of many KPIs with prioritising and focusing on a smaller number of KPIs. As the number of KPIs increases, the value added by each one diminishes. And, of course, it can be quite costly to collect the data to measure each KPI. At the Department/Authority level, around 15 to 20 KPIs should be sufficient to ensure that a comprehensive yet manageable set of KPIs is in place to provide the measurement framework for performance management. You might therefore want to consider a final prioritisation exercise for all the KPIs you have developed.

4.5   Setting targets

The setting and monitoring of targets is an integral part of strategic planning and performance improvement. Target setting should not be viewed as a statistical or administrative process carried out by a few people in isolation, but as a key management process undertaken by a combination of senior staff. Targets help to drive performance improvement in a number of ways. They help to:

- Prioritise the most important work of the Department/Authority
- Define an agreed direction for the organisation
- Focus attention and resources
- Motivate staff (as long as the targets are challenging, but realistic)

You should set target levels of performance for every KPI of the Department/Authority. Without the ability to compare actual performance against a plan or a target level of performance, it is very difficult to assess how well the organisation is performing. Good indicators and targets should be SMART:

Specific	Being clearly defined, focusing on a key issue or theme
Measurable	Capable of being measured
Achievable	Being realistically attainable with a degree of challenge
Relevant[1]	Relating to a key objective or priority of the organisation
Time bound	Specifying when the targets will be achieved

An example of a well linked, SMART target is shown in the box below.

Table 8 - Example of a well linked, SMART target

Government Department for Environment, Food and Rural Affairs

Strategic aim: reduction in UK's contribution to global climate change by cutting greenhouse gas emissions

A key **indicator** of progress towards this aim would be reduction in carbon emissions by the domestic (household) sector. And a **SMART target** to measure progress would be:
In households, to deliver savings of 4.2 million tonnes of carbon per year by 2010 in the UK

Other examples of indicators and targets are provided by a Home Office in the table below. Note that target 1 is SMARTer than target 2.

Table 9 - Examples of indicators and targets

Objective 1: People <u>are</u> and <u>feel</u> more secure in their homes and daily lives	
KPI	Rate of crime (as measured by police recorded crime statistics)
Target 1	Reduce crime by 15% and further in high crime areas, by 2007-08
KPI	Fear of crime (as measure by British Crime Survey)
Target 2	Reassure the public, reducing the fear of crime and antisocial behaviour

You will need to take particular care in setting targets so that they take into account **the likely level of resources** that will be available to deliver the relevant goods or services of the

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[1] The 'R' is sometimes referred to as 'realistic' but this overlaps to an extent with 'achievable'.

Department/Authority. For example, a Department for Education may have an objective to reduce average class sizes in primary schools from a current level of 35. To reduce this number will require the employment of more teachers, which will require greater expenditure on teacher salaries. It might also involve constructing more classrooms and making other types of expenditure. It would be useful to set up a financial model that estimates the extra amount of resources needed to reduce class sizes to a certain level. This could then be used to make more informed decisions about what targets levels of performance are realistic given likely resource levels. Or it might create weight for arguing for more resources.

In deciding what specific target to set, there are a number of other factors for you to consider:

- **Historic performance**: what did the organisation achieve last year and in previous years? What are the trends and are there seasonal variations you should take into account?
- **Benchmarks** – what do competitor organisations / government Departments/Authorities in other cities, states or countries achieve?
- **Stakeholders** - what do your customers and other stakeholders expect? These expectations may not be realistic, but it helps to be aware of them

It is common practice to refer to 'base-line' performance. This is the starting point from which future targets will be developed. 'Base-line' performance is 'current performance' at a defined point in time. Target levels of performance should be made increasingly ambitious over time, assuming that there will be no major fall in the level of resources that are likely to be available. An example format for presenting targets and comparing them to current performance is shown in the table below.

Table 10 - Example format for presenting targets

Strategic Aim	KPI	Current performance	Three year targets
A safe and just country maintained	Numbers of violent crimes against the person as a % of population	A%	Decrease of J% over current performance

	Numbers of serious crimes against property as a % of population	B%	Decrease of K% over current performance
	Numbers of road traffic related deaths as a % of population	C%	Decrease of L% over current performance
	Number of crimes reported against tourists as a % of tourist arrivals	D%	Decrease of M% over current performance
	Clear up rates for criminal offences as a % of all crimes	E%	Increase of N% over current performance
	Instances of recidivism, as a %, amongst criminals convicted	F%	Decrease of P% over current performance
	Time taken for civil cases to be resolved, through the Courts	G%	Decrease of Q% over current performance
	Average length of Court cases, in days, from filing to disposal	H%	Decrease of R% over current performance

It is a good idea for you to organise a workshop for a group involving your Senior Management Team as well as some key relevant stakeholders. These stakeholders will not include key customers and suppliers but, where appropriate, key staff from other Departments/Authorities affected by the activities of your Department/Authority. The workshop should consider information such as past performance, internal and external benchmarks as well as any 'imperatives' from the Executive Council. The objective of the workshop is to develop draft performance targets for each KPI on an annual basis. The final targets will be agreed by the Board of Directors, in consultation with the TEC.

Targets should be increasingly challenging over time. A template for recording targets is shown in Annex 6.

You should remember that targets can play a significant role in driving the behaviour of the people who are trying to achieve these targets. This is normally a good thing, but there is always a need to be wary of any perverse incentives that might develop as a result of this. An example is presented below.

Case study - Danger of perverse incentives

A hospital might have a KPI and target relating to the cutting of average waiting times for operations. To achieve the target, the hospital may focus on achieving a large number of minor operations in a given period. This will bring down average waiting times, but may lead to more people waiting longer for more serious operations, and these are probably the people who are in poorer health. To get around an issue like this, one option would be to set separate targets for minor and major types of operation.

Table 11 - Example of a perverse incentive

4.6   Checklist

CHECKLIST – Phase 4: Where do we want to be?

At the end of this phase, you should have:

☐ Developed and agreed strategic aims
☐ Developed and agreed strategic objectives underpinning each aim
☐ Established logical links between objectives
☐ Ensured that the aims and objectives are in line with the Department/Authority's mission, vision and values
☐ Ensured that the relevant aims and objectives in the DSP and sector plans are reflected in your Department/Authority's aims and objectives
☐ Identified, developed and defined KPIs to measure performance
☐ Set phased targets for each of the KPIs

Box 7 - Phase 4 Checklist - Where do we want to be?

PHASE 5 –   Developing the strategic plan

GETTING STARTED	WHO ARE WE?	WHERE ARE WE NOW? HOW WILL THE FUTURE INFLUENCE US?
WHERE DO WE WANT TO BE?	DEVELOPING THE STRATEGIC PLAN	HOW TO GET IT IMPLEMENTED

- ■ Identifying the potential programmes of work
- ■ Prioritising what goes into the strategic plan
- ■ Sequencing the programmes
- ■ Preparing financial projections
- ■ Managing risks

5.1   Introduction

Objectives

The objectives of this phase are to:

- Identify programmes of work to achieve the mission and vision
- Prioritise the programmes
- Sequence the programmes
- Prepare high level financial projections
- Identify and manage risks

Duration

This is the bulk of the work and will typically take approximately 10 to 15 weeks

Stakeholders

- The Department/Authority's Senior Management Team

- Functional heads including Finance

- Key customers and suppliers of the Department/Authority

- Industry experts

Skills required

- Analytical skills

- Financial skills

- Project management skills

Tools and templates

- Prioritisation (Annex 7)

- Financial projections (Annex 8)

- Managing risks (Annex 9)

- Strategic plan template (Annex 10)

- Programme plan template (Annex 11)

- Sequencing of programmes

-

5.2   Identifying the potential programmes of work

A good strategic plan consists of a number of programmes. These programmes of action will show how the Department/Authority will deliver its strategic aims and objectives over a 3-5 year period. Programmes will comprise of a combination of actions, policies and projects that will contribute towards a common objective. For example, if there is a programme which is about improving public health services, it will include a number of separate policies and projects to deliver these. It will be important for you to ensure that each programme has a named person responsible for delivering it.

Some programmes might be cross-Departmental and require effective joint working between more than one Department/Authority in order to achieve the objectives and aims. For example, a heath education programme in schools would require good joined-up working between the

Departments/Authorities responsible for health and for education. Some 'programmes' (for Departments/Authorities that are involved in the development of infrastructure for example) might be better referred to as 'major projects' such as the construction of a new road or an expansion to a port.

Table 12 - Example of programmes

Strategic aim / objective
To improve the public health of the population of Dubai

Possible programmes
- Carry out immunisation programmes
- Implement education programmes
- Improve environmental standards

Within each of these programme, there will be a number of more specific projects, for example:.

- Immunisation: typhoid, malaria, polio, etc.
- Education: promoting education at public events, using media to get the message across, educating mothers about their children's health needs etc.
- Environmental standards: rubbish disposal, water quality imporovement etc.

It is important for you to consider both existing programmes that are currently helping the Department/Authority achieve its objectives, and any new programmes that you feel will also be important. When determining programmes to be implemented, you should take into account the resource availability (human, financial and material resources).

You should also check whether any policy studies have been performed recently which have a bearing on the possible programmes that might be contained in the strategic plan. A policy study will include an assessment of various options for achieving a strategic objective of the Department/Authority and make recommendations for future courses of action. If you want more information on what a policy study involved, please refer to a sister guide on Policy Making in Dubai.

5.3   Prioritising what goes into the strategic plan

Once you have identified the potential work programmes in the strategic plan, you will probably need to conduct a prioritisation exercise. This is because there is unlikely to be enough

human, financial and other resources for your Department/Authority to implement all the potential programmes that have been identified.

Before you start the prioritisation exercise, it is necessary make an estimate of the total amount of financial resources that are likely to be available to your Department/Authority for each year over the next 3 years. A good starting point is to take the previous year's budget, to adjust this for any known changes and to project this figure forward for the next 5 years on an estimated annual rate of growth or reduction.

There are many different tools that you could use to assist in the prioritisation exercise. A simple tool looks to group programmes into three categories:

- **Statutory justification:** This is where there is a legal obligation in Dubai to deliver the programme, for example to comply with health and safety legislation etc. These are the first priority components for the strategic plan.

- **Strategic justification:** This is where there is a clearly defined priority already, for example set out in the Dubai Strategic Plan or in a sector strategic plan, or where the delivery of the programme is so fundamental to the achievement of a strategic aim that it cannot be ignored. For example, there might be a severe shortage of doctors which requires a large national recruitment and training programme. These are second priority components for the strategic plan.

- **Financial justification:** This is where the delivery of the programme will generate a significant amount of revenue or save a significant amount of costs. For example, there might be large savings in the time patients spend in hospital (incurring expenditure) if money is invested into certain types of medical equipment that allow operations to take place more quickly. These are the third priority components for the strategic plan.

There are some very sophisticated tools for the assessment of costs and benefits of programmes and major projects such as net present value and internal rate of return

calculations. These are not covered in this guide, but any reader who is interested in finding out more could consult a textbook on project appraisal.

You should calculate the approximate cost (and any income generated) over the next 5 years for the delivery of all the programmes you have listed as being justified on a statutory, strategic or financial basis. You should then total up the individual cost estimates (and any incomes) and compare this overall figure to the amount of funds that you think will be available to the Department/Authority over the next 5 years. If it looks like funds are still remaining, you can consider more programmes, if not you should consider whether you can reduce the number of programmes you have listed and / or assess whether forecast costs can be reduced.

However, you may feel that further projects and programmes are still needed in any case to effectively deliver the strategic objectives and aims of your Department/Authority, reflecting the target levels of performance you are aspiring to achieve. Three other factors can then be considered for further prioritisation:

- Is the programme suitable? – i.e. is it something that will contribute to better realisation of a strategic objective or aim?
- Is the programme feasible? – i.e. is it something that will realistically deliver good results from the level of resources that are likely to be available?
- Is the programme acceptable? – i.e. is it something that your Department/Authority's customers and other key stakeholders will approve of and support?

In assessing these three factors, you should again refer to any previous policy studies which may have assessed different programmes of action in these ways. In some circumstances, if time permits, you might want to conduct a new in-depth policy study which considers the pros and cons of different mixes of programmes for delivering a desired strategic objective or aim. More information on conducting a policy study is given in a sister guide on Policy Making.

A template for prioritising the programmes to include in a strategic plan is shown in Annex 7 to this guide.

THE EXECUTIVE COUNCIL

5.4 Sequencing the programmes

Once you have developed a list of priority programmes, you will still need to think, in broad terms, how to sequence the implementation of these in the 5 years covered by the strategic plan. It is not normally advisable to start all programmes at the same time, but to stagger them over the 5 years. Where different programmes are dependant on each other, you should consider using tools like critical path analysis to help plan the best sequencing. More information on tools like these can be found in textbooks on project appraisal and planning.

For most Departments/Authorities, a simple form of sequencing in a GANTT chart will probably suffice. It will be a good idea for you to prepare a GANTT chart for your Department/Authority. You will need to estimate the approximate durations of each programme so that you can plot estimated end dates against a given start date. Some programmes may not be completed at the end of the 5 year planning time frame, but that is fine.

You should try to ensure that higher priority programmes take place as early as possible and that any logical sequencing of programmes is properly reflected in the GANTT chart. An example simple GANTT chart for a single strategic objective is produced below. You will need to produce GANTT charts that cover all the strategic objectives of the Department/Authority.

Table 13 - Example simple GANTT chart

Strategic objective: To improve the health of children under 5 years of age										
	Year 1		Year 2		Year 3		Year 4		Year 5	
National public information campaign	▓									
Education awareness for mothers in health clinics		▓	▓	▓						
Immunisation programme for under 2's	▓	▓	▓	▓	▓	▓	▓	▓	▓	▓
Nutritional supplements in kinder-gardens							▓	▓	▓	▓
Annual check-ups for under 5s									▓	▓

5.5   Preparing financial projections

The strategic plan will need to contain estimates of what it will cost to implement it. It is also important to include estimates of any income that the Department/Authority will generate through its programmes. Clearly, for 3-5 year strategic plans, it is not easy for you to make precise or detailed estimates. Therefore you should make approximations for the total costs and incomes of each major programme in the plan. These estimates will be worked up in more detail at a later stage when you develop one year operational plans for the Department/Authority.

In developing cost estimates, you will need to think about both operating and capital expenditure.   Operating expenditure is incurred in the everyday running of a Department/Authority in order to produce the goods and services which it exists to deliver. Capital expenditure covers the costs of the acquisition of assets such as buildings, equipment such as scanners, ambulance vehicles etc. When considering a new capital asset like a hospital, you should ensure that you factor in the running costs e.g. salaries, drugs, etc. The Finance Unit within your Department/Authority should be able to help you undertake this high level costing.

The cost and incomes associated with the delivery of your 5 year strategic plan need to be developed into a 5 year budget for submission (with the plan) to the Department/Authority of Finance for approval. A template for how this can be done in shown in Annex 8.

Currently budgets are allocated annually. To assist with better planning and to strengthen the current system of budget allocation, it is being proposed that in future, 5 year plans are developed with high level financial projections and that these, once agreed, form the basis of a longer-term budgetary allocation in Dubai.

It will be useful to you refer to the target levels of performance set for each KPI that you expect the Department/Authority to deliver through the use of the budget. For example, how many doctors will be trained, how many children will be vaccinated, how many hospital beds will be provided and in what other ways will the Department/Authority be effective? By comparing

costs against the expected results, you will be able to assess the efficiency of the Department/Authority and hopefully show that you expect this to improve over time. You should prepare a covering document for submission to the Finance Department which sets out the benefits of funding and delivering the strategic plan.

However, your budget may not be approved. If this is the case, you will need to consider various options:

- Can you make cost savings for the delivery of certain programmes?
- Do you need to take out some of the lower priority programmes?
- Do you need to make targets levels of performance less ambitious?
- Can you change the sequencing of programmes so as to defer some costs to later years?

As stated at the start of the document, strategic planning is an iterative process; some amount of refinement to the strategic plan is likely to be needed to ensure that the planned programmes are affordable.

5.6   Managing risks

The implementation of the strategic plan will be associated with a number of risks. A 3-5 year plan will encompass more unknown factors than a one year plan and therefore comes with a higher degree of risk. A risk is an event in the future, which if it occurs, could adversely impact on the achievement of the strategic aims and objectives of the Department/Authority. Risks can arise from a number of sources. The key types of risk for you to think about are:

Agenda risk: A risk inherent in carrying out the statutory and strategic responsibilities of the Department/Authority when these are in conflict with each other. An example of this would be if a Health Department acts as both a regulator as well as a provider of services and where this conflict of roles prevents it from being effective as a regulator.

Organisational risk: A risk arising from the way service delivery is organised. An example would be if specialist hospitals are linked to only some general hospitals and where patients of other general hospitals do not receive the best treatment in time.

People risk: A risk attributable to workforce issues which impacts on the achievement of the Department/Authority's objectives. An example would be the lack of enough senior doctors to train more junior doctors to become surgeons.

Environment risk: A risk associated with the environment external to the Department/Authority. An example would be if there is an outbreak of a new disease caused by the migration of infected birds from another country.

In view of these potential risks, it is important for you to ensure that your Department/Authority has a built-in approach to risk management. You will need to:

Identify all the likely areas of risk
- Assess the likelihood of each risk materialising
- Consider the impact on the achievement of strategic aims and objectives, should the risk materialise
- Understand whether or not it is within the Department/Authority's control to manage each risk
- Develop plans to minimise the impact of those risks that are controllable

Annex 9 contains a risk management tool to be used in undertaking the above.

A suggested overall structure for the 5 year strategic plan is shown in Annex 10. This brings together many of the key components that have been covered earlier in this guide. Supporting the content of a strategic plan, there can be a series of 5 year programme plans. An example template for these is shown in Annex 11.

5.7 Checklist

> **CHECKLIST – Phase 5: Developing the strategic plan**
>
> **At the end of this phase, you should have:**
>
> ☐ Conducted a prioritisation exercise and produced an agreed set of workstreams / programmes to achieve the vision, aims and objectives
> ☐ Produced a financial plan of what it will cost
> ☐ Analysed risks and developed a risk management approach
> ☐ Produced an overall strategic plan and supporting programme plans as required

Box 8 - Phase 5 Checklist - Developing the strategic plan

PHASE 6 – How to get it implemented

GETTING STARTED	WHO ARE WE?	WHERE ARE WE NOW? HOW WILL THE FUTURE INFLUENCE US?

WHERE DO WE WANT TO BE?	DEVELOPING THE STRATEGIC PLAN	HOW TO GET IT IMPLEMENTED
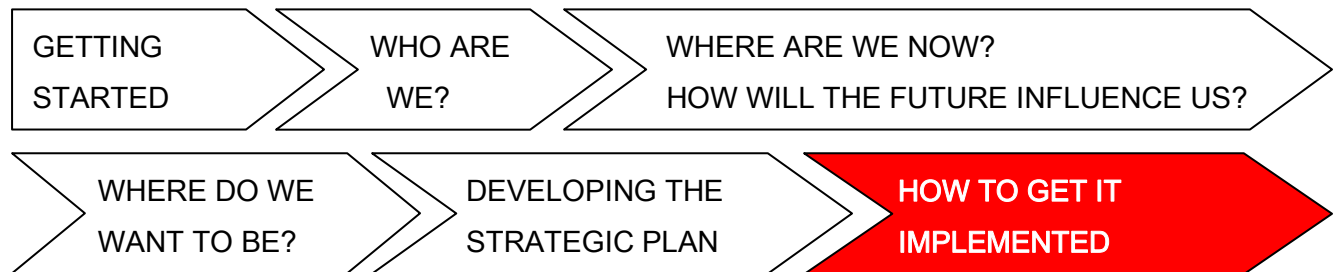
- ■ Cascading of objectives, KPIs and targets
- ■ Linking to operational plans
- ■ Developing functional plans
- ■ Aligning with financial resources
- ■ Having an effective performance management system
- ■ Link to the next planning round
- ■ Aligning the entire Department/Authority behind the strategic plan
- ■ Improving the strategic plan on a regular basis

6.1 Introduction

Objectives:

The objectives of this phase are to:

- Identify the critical success factors for effective implementation of the strategic plan
- Cascading of objectives, KPIs and targets
- Linking with operational and functional planning
- Aligning with financial resources
- Ensuring effective performance management
- Aligning the entire Department/Authority behind the strategic plan

- Improve the plan

Duration

This will be an ongoing process.

Stakeholders

- The Department/Authority's Senior Management Team
- Functional heads
- Operational managers
-

Skills required

- Project management
- Financial management
- Communications
- Staff performance management and reward management

Having developed and agreed of the strategic plan, the challenge is to ensure that it is successfully implemnented. The critical success factors for this to happen are set out in this Phase.

6.2   Cascading of objectives, KPIs and targets

Once strategic objectives have been developed for the Department/Authority, it is good practice to cascade these down to divisions, units and staff within the organisation and also down and through any 'agencies' or other bodies which the Department/Authority has managerial responsibility for. In this way, all parts of the organisation can work together to achieve common aims. An illustration of this integration is shown in the figure below. Normally in a strategic plan you will not expect to cascade the objectives, KPIs and targets; this is more relevant to operational planning. Cascading is of course a significant element of performance management and is covered in more depth in the sister guide on Performance Management.

Figure 8 - Cascading objectives
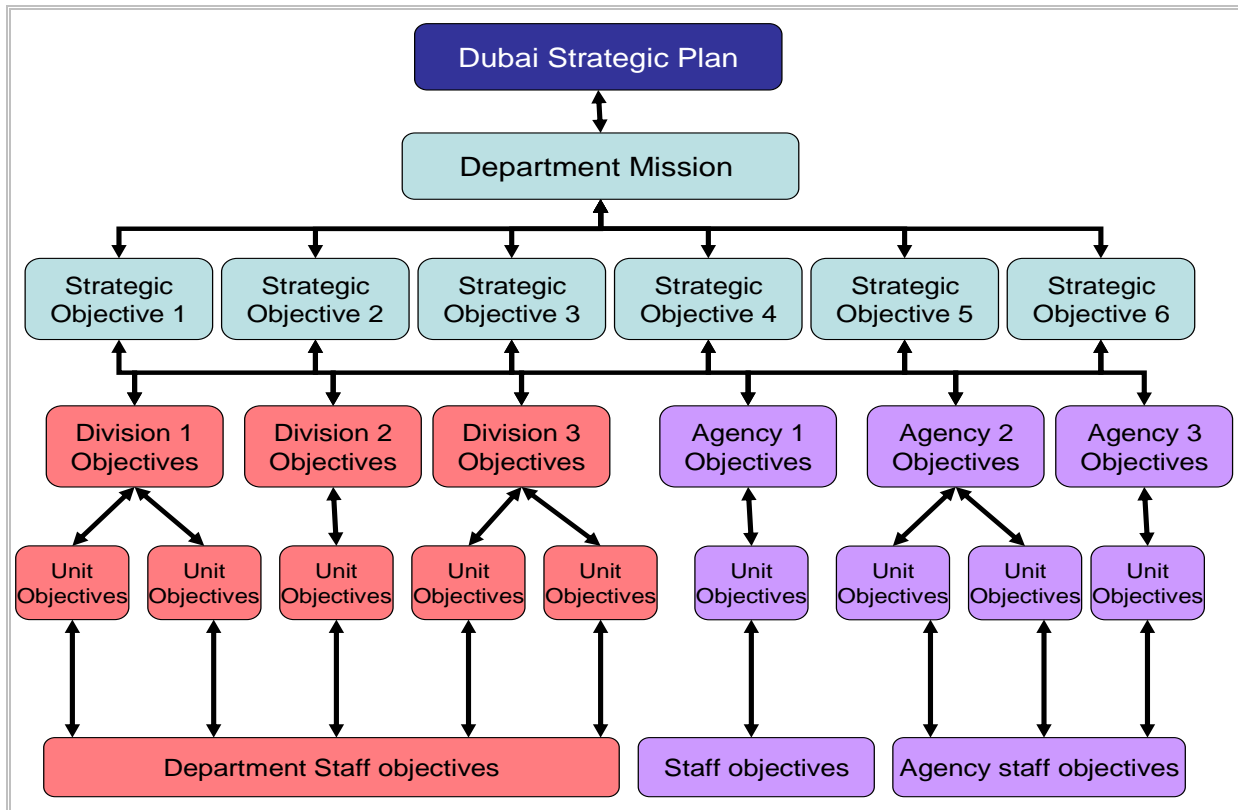
It is usually better to keep the cascading as simple as possible in early years and to become more ambitious over time.

6.3   Linking to operational plans

The strategic plan spells out at a high level the intentions of what is to be achieved and the programmes of work needed to achieve the vision and mission of the Department/Authority. What is also needed is a detailed 'blueprint' of exactly how it will be done. This involves the development of the operational plan for the first year of the 3-5 year plan. As mentioned at the start of this guide, the operational plan:

- Is a regular part of a planning cycle
- Defines the expenditure and operational intentions during the year

- Is used as the basis for budgeting and performance monitoring during the year
- Contains a number of project plans, some spanning more than one year

The operational plan will flesh out the details in terms of activities needed to implement the programmes which will achieve the objectives. On a practical note, the targets for the operational plan will be milestones along the way to achieving the targets of the strategic plan. The operational plans will be matched by detailed budgets for year 1.

The Department/Authority's operational plan will detail the key activities and projects for the next year in a series of sections which cover operational plans for each unit of the Department/Authority or for each programme. These operational plans are the link between the strategic plan and implementation of the Department/Authority's work. This guide does not cover the details of producing operational plans, but you can use the following headings as a guide to what should go into these plans:

- A list of all the major activities / projects to be performed during the year
- The objectives, performance indicators and targets for each project
- A brief description of each project
- The name of the person responsible for delivering each part of the plan
- Project start and end dates
- Key milestones during the year
- The cost of implementing each part of the plan
- Key risks inherent in the implementation of the plan and how these will be managed

The operational plans should be matched by detailed budgets which are usually analysed in various ways. These might be, for example:

- By unit (marketing, HR, finance, production etc.)
- By programme and / or project (improving child health, vaccination programmes etc.)
- By expense type (i.e. salaries, rents, utilities, travelling etc.)

The finance unit within your Department/Authority will assist you in this budgeting exercise.

The following diagram shows how operational plans fit into the overall strategic planning and performance management frameworks. The left half of the diagram relates to strategic planning whilst the right hand side of the diagram is about operational planning and the associated performance management.

Planning and the balanced scorecard
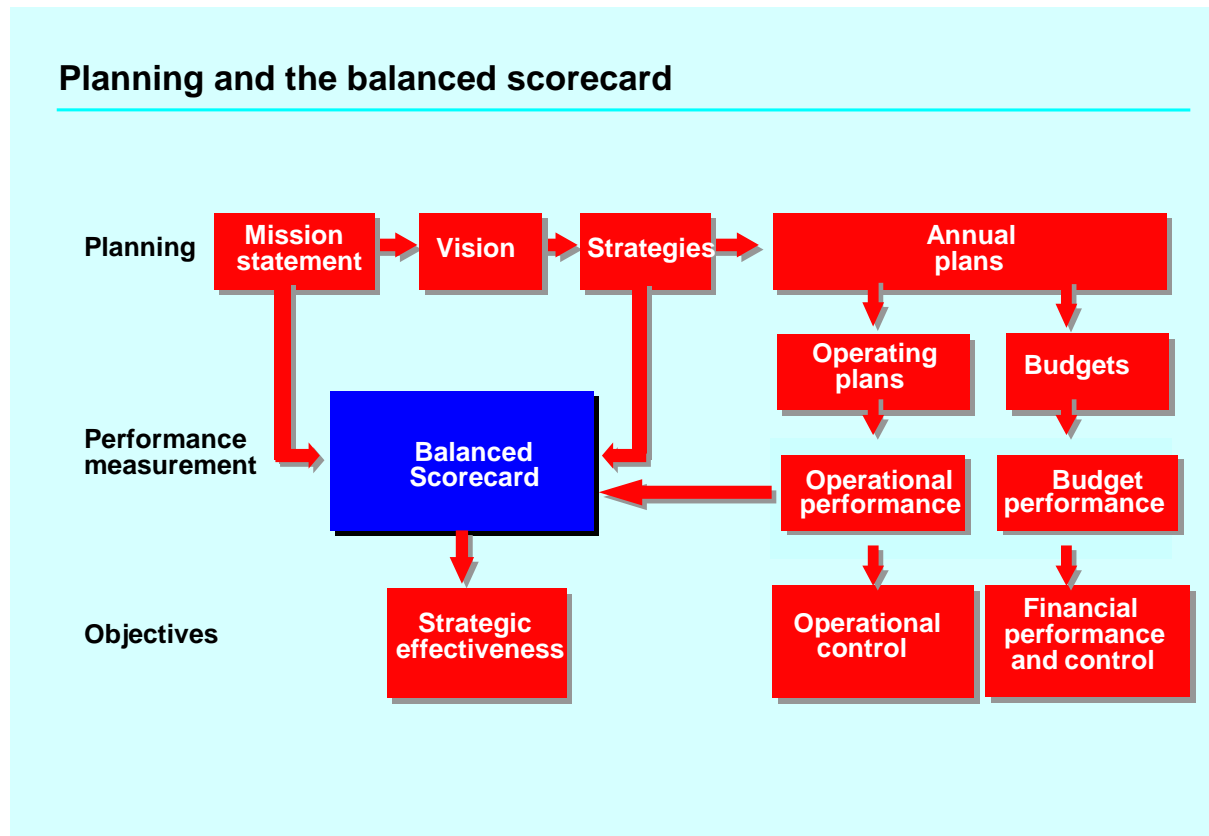
Figure 9 – Integration of strategic and operational planning

6.4   Developing functional plans

Once you have developed the strategic plan, you will need to ensure that the internal systems, structures and processes within the Department/Authority are able to support the delivery of this plan. To assist in this, you should check that functional plans are developed for all key areas.   Examples of what functional plans are commonly needed, together with a few example

areas to be addressed within each, are presented below for each element of the balanced scorecard in use in Dubai.

Table 14 - Example of functional plans commonly needed

Stakeholders and customers	Employees
Communications strategy • Who will be communicated to about what? • How will the Department/Authority's progress be communicated? Marketing strategy • What major products and services do customers require? • What are the key markets and how will these be targeted?	Human resources strategy • What level and type of staffing is required? • How will the required amounnts of staff and skills be acquired?
Financial and physical	**Internal processes**
Finance strategy • What level of funding does the Department/Authority require? • How will this funding be obtained? Information technology • What IT systems are needed and why? • How will these IT systems be provided? Technology (non-IT) • What technology is important and why? • How will the Department/Authority keep up to date with technological advances? Estates • What amount of building space does the Department/Authority need? • How and where will this space be provided?	Information management strategy • What types of information does the Department/Authority need in order to perform well? • How will this information be obtained? Audit strategy • What audit procedures does the Department/Authority need and why? • How will these procedures be carried out Key business process strategies (add as required)

Functional strategies should be developed by the heads of each of functional areas in question, with support from their teams. These functional strategies will need to be developed within the context of the Department/Authority's overall strategic plan.

6.5   Aligning with financial resources

Currently, the development of strategic plans is not linked to the financial allocations. What is being proposed is that the 3-5 year plans are developed containing high level financials for 3

years. This will allow the Department of Finance to review the plans and to allocate 3 year 'bottom-line' allocations to Departments/Authorities. Knowing what the budgets are for 3 years will allow Departments/Authorities to plan better because they will not have the problem of having to plan without knowing how much money they will get in future.

Having long term budgets agreed will greatly enhance the quality of the planning as it will mean that plans are grounded in the reality of having the funds to implement them.

6.6   Having an effective performance management system

Another critical success factor is the need to have an effective performance management system in the Department/Authority. Performance management is a tool by which organisations define, monitor and evaluate their performance with the end objective of improving their performance. The results of monitoring and evaluation will be reflected back in management decisions to adjust policy or plans and will improve future performance.

Effective performance management requires the following:

- Appropriate KPIs are in place to help measure the achievement of the aims and objectives that underpin the mission and vision
- Appropriate targets exist for each KPI and are cascaded down to units and sub-units within the Department/Authority
- KPIs are well defined and easy to understand and measure
- A named person is responsible for delivering the target for each KPI
- Reliable systems are in place to deliver the information needed accurately and on a timely basis
- A system exists to monitor and review performance information and to understand the underlying causes of any deviation from plan
- Appropriate actions are taken to deal with deviations from plan
- Follow up on actions are agreed to deal with the deviations mentioned above and steps are taken to ensure that these are effective

In many organisations, KPIs and associated targets are cascaded to individual staff and form the basis of employees' personal objectives. This has the benefits of aligning individual objectives with the organisation's objectives. Although this is currently not the case in Dubai, you may wish to consider this for the future.

6.7   Link to the next planning round

Performance management is not a stand alone exercise. It exists within the management framework of Dubai and links to strategic planning and policy making. If performance is not as per plan and the underlying reasons are that it is either due to incorrect assumptions in the original plan or that circumstances have changed since the development of the plan, then it is appropriate that this is recognised and fed into the next planning round. The benefit of linking performance management to planning is that it will strengthen the quality of planning and, in turn, will make for easier and more effective implementation.

6.8   Aligning the entire Department/Authority behind the strategic plan

The strategic plan sets out the key strategic aims and objectives of the Department/Authority and a series of programmes that will be delivered in order to achieve these aims and objectives. However, in itself, the production of the strategic plan will be no guarantee for success. One issue that you will need to focus effort on is to align the entire Department/Authority behind the strategic plan. This should be done in several ways.

Communication: This is fundamental to successful implementation of the plan. Therefore it is important that all staff and stakeholders know the mission, vision, values and aims and objectives of the Department/Authority. In addition, good communication will help these groups understand how it affects them in their role as staff, customers and suppliers. You should develop a communications plan to inform stakeholders of these issues and demonstrate progress against the plan. This plan will address:

- What to communicate
- To whom to communicate

- When and how often to communicate
- What communication channels to use
- Who should communicate

Reinforcing the values of the Department/Authority: When you developed the strategic plan, one of your earliest activities was to define the values by which the Department/Authority would operate. These were also values consistent with that of the Government of Dubai, These values might include things such as integrity, excellence, team-work, honesty and openness. These will need to be constantly reinforced in the way that the Department/Authority conducts its business with its customers and relates to its staff. There should be mechanisms in place to reward staff who act on the basis of the values and to allow staff to challenge their colleagues whenever they feel that the Department/Authority's values are not being followed.

Aligning individual objectives with Department/Authority objectives: Staff are the key to successful implementation as they are the ones who will deliver the plan. As mentioned earlier in this guide, the best way to get staff on board is to ensure that their own objectives are aligned with the Department/Authority's objectives. A good system of performance management will make this link explicit. If individual performance is then linked with an effective reward system, the effect will be greater.

6.9 Improving the strategic plan on a regular basis

You should treat the strategic plan as a 'living' document. At the very least you should review it every year so that you:

- Confirm the strategic aims and objectives
- Review the KPIs and performance targets
- Review the timing and resource requirements of all major projects and programmes
- Consider the results of any policy studies and how these might affect the mix of programmes in the plan

Policy studies are in-depth pieces of work that analyse the options for the achievement of strategic aims and objectives. More details about how these are carried out are presented in a sister guide called Policy Making in Dubai.

Some final points about the implementation phase

- It creates real changes for people, organisational structures, work content and systems
- It has very clearly defined goals - both overt and covert
- It is limited in time and scope
- It is subject to milestones that will often be immovable because of the other dependencies upon them
- It could actually damage the business if it fails
- It requires more of a completer / finisher mindset:

In light of the above, the implementation phase requires that:

- There is a single-minded focus on key dates and delivering benefits
- The requirements of running the business, as well as changing it, are built into the plan
- Sponsorship has been cascaded to the lower levels – unit or even sub-unit and that managers have become key sustaining sponsors

6.10   Checklist

CHECKLIST – Phase 6: How to get it implemented

At the end of this phase you should have:

☐   Prepared operational plans
☐   Developed functional plans
☐   Prepared budgets to support the operational plan
☐   Ensured that your performance management framework is integrated with strategic planning
☐   Obtained sponsorship and buy-in at various levels of the organisation for the implementation of plans
☐   Developed and implemented an effective communications plan
☐   Considered the information supplied by the performance management system, policy studies and other sources to update the strategic plan

Box 9 - Phase 6 Checklist - How to get it implemented

ANNEXES

Annex 1 : Brainstorming

Brainstorming is a useful and popular tool that you can use to develop highly creative solutions or recommendations to address a particular problem or issue. It can be a useful tool in various aspects of the strategic plan development including:

- Identifying the key strengths, weaknesses, opportunities and threats facing the Department/Authority;
- Determining the critical success factors for the Department/Authority;
- Creating a list of potential programmes that could be developed to deliver a strategic aim or objective.

Brainstorming is particularly useful when conducted in a participatory manner with your team. It helps you bring the experience of all team members into play during problem solving. This increases the richness of the solutions explored (meaning that you can find better solutions to the problems you face, and make better decisions). Brainstorming can also help you get support from team members for the solution chosen - after all, they have helped shape that solution.

Brainstorming is a lateral thinking process. It can mean that people come up with ideas and thoughts that might seem at first to be a bit unusual or even crazy. You can then change and improve them into ideas that are useful. During brainstorming sessions there should therefore be no criticism of ideas. You are trying to open up possibilities and break down wrong assumptions about the limits of the problem. Judgments and analysis at an early stage will stunt idea generation.

 Ideas should only be evaluated at the end of the brainstorming session - you can then explore solutions or recommendations further using conventional approaches.

Brainstorming can be very effective as it uses the experience and creativity of all members of the group. When individual members reach their limit on an idea, another member's creativity and experience can take the idea to the next stage. Therefore, group brainstorming tends to develop ideas in more depth than individual brainstorming.

Brainstorming in a group can be risky for individuals. Valuable but strange suggestions may appear stupid at first sight. Because of this, you need to chair sessions tightly so that uncreative people do not crush ideas and leave some group members feeling humiliated.

To run a group brainstorming session effectively, you need to:

- Define the problem or issue you want solved or addressed clearly;
- Keep the session focused on the problem or issue;
- Ensure that no one criticises or evaluates ideas during the session. Criticism introduces an element of risk for group members when putting forward an idea. This stifles creativity and cripples the free running nature of a good brainstorming session;
- Encourage an enthusiastic, uncritical attitude among members of the group. Try to get everyone to contribute and develop ideas, including the quietest members of the group;
- Let people have fun brainstorming. Encourage them to come up with as many ideas as possible, from solidly practical ones to wildly impractical ones. Welcome creativity;
- Ensure that no train of thought is followed for too long;
- Encourage people to develop other people's ideas, or to use other ideas to create new ones; and
- Appoint one person to note down ideas that come out of the session. A good way of doing this is to use a flip chart. This should be studied and evaluated after the session.

Where possible, participants in the brainstorming process should come from as wide a range of disciplines as possible. This brings a broad range of experience to the session and helps to make it more creative.

Annex 2 : Analysis of strengths and weaknesses for an NHS Hospital in the UK providing Secondary care (historical analysis)

Balanced scorecard dimension	Strengths	Degree 1-5 5=very strong (A)	Impact 1-5 5=high impact (B)	Score (A*B)	Weaknesses	Degree 1-5 5= very weak (C)	Impact 1-5 5=high impact (D)	Score (C*D)
Stakeholders and customers	Local General Practioners favour sending patients to this hospital.				Poor access by public transport.			
Employees	Highly skilled clinicians.				Staff shortages in tight labour market.			
Internal processes	Good information systems. Good admission and discharge systems.				Outdated working practices – low productivity. Poor recruitment processes, leading to delays in hiring staff.			
Financial and physical	Excellent hospital buildings infrastructure.				Hospital losing money.			

Annex 3 : An example of an opportunities and threats analysis for an NHS Hospital in the UK (historical analysis)

Balanced scorecard dimension	Opportunities	Degree 1-5 5=very strong (A)	Impact 1-5 5=high impact (B)	Score (A*B)	Threats	Degree 1-5 5= very weak (C)	Impact 1-5 5=high impact (D)	Score (C*D)
Stakeholders and customers	Winning the National award for clinical excellence will help in attracting more patients and funding.				Long waiting times to see the clinicians could lead to patients going to other hospitals.			
Employees	The current changes to medical staff contracts could lead to an increase in supply of staff.				Staff are unhappy with the professional development opportunities and hence may decide to seek jobs elsewhere.			
Internal processes	The establishment of regional procurement agenies will help the hospital get better prices for its purchases.				The new IT system has been delayed for another year. This is leading to inefficiencies and wasted resources.			
Financial and physical	The current changes to the funding formula will improve the financial position.				The current bed capacity of the hospital is too small for the volume of patients.			

Annex 4 : An example of a PESTLE analysis for an NHS Hospital in the UK (forward analysis)

Future Trends	Example of Trend	Opporrtunity	Probability of occurrence 1=low 5 = high (A)	Impact 1=low 5=high (B)	Score (A*B)	Threat	Probability of occurrence 1=low 5 = high (C)	Impact 1=low 5=high (D)	Score (C*D)
Political	• Change in the UK Government at next election. • Move to 'Foundation Hospital' status leading to greater independence from government control.								
Economic	• Increase in the number of private sector hospitals undertaking work for the NHS. • Changes to the way individual hospitals are funded by the government.								
Social	• Increasing numbers of women working means that the demand for evening and weekend clinics is rising. • More staff opting for part-time work.								
Technological	• The impact of the National Programme for Information Technology in the NHS. • Advances in technology leading to changes in treatments and organistion of care.								
Legal	• The increasing number of medical negligence claims against NHS hospitals by patients. • European Union law increasingly overruling decisions made in the UK.								
Environmental	• Stricter environmental standards on cleaning, disposal of waste etc. • Global warming leading to new strains of hospital infections.								

Annex 5 : Horizon scanning

Based on an example study done for a Department in the UK.

A primary goal of the horizon scanning programme is to provide the Department with a common base of critical future trends, drivers, developments, issues and wild cards (low probability, high impact events) which can be used to support strategy development, policy making, research and directorate planning. As a start point for more widespread scanning, a 'baseline scanning' exercise was commissioned. The objective of the exercise was to compile a baseline of key trends and drivers which had already been identified by other well respected scanning projects conducted over the last 3-4 years.

The key steps in creating the horizon scan are outlined below:

- An initial list of 160 scanning websites, projects and reports were reviewed.
- 25 scanning sources were then short listed for detailed evaluation. The key criteria for selecting the 25 studies were breadth and depth of coverage, societal relevance, Departmental relevance, quality of the scanning process adopted and clarity of outputs.
- To enable users to explore the sources of the trend data, each of the projects was profiled in detail.
- A total of 236 key Political, Economic, Environmental, Social, Scientific and Technological trends and drivers listed in those 25 studies were then extracted and evaluated. A total of 123 trends were considered to be potentially high priority for the Department.
- The evaluation and priority ranking of each trend is the result of an initial ranking by the contractors – the evaluation of each trend may well differ across directorates and policy areas within the Department
- The aim now is to work with those departmental units to help them evaluate and apply the trends data and help them identify additional scanning requirements.

Example trends identified for the period to 2010 related to social and economic issues. The number 26, 33 etc. are not important – they are simply a reference number for each issue.

Demographics: (2)

- 26. Retirees increasingly a tax burden on workforce (now to 2010)
- 33. Increasing childhood health issues (now to 2010)

Values: (5)

- 178. Increased value shift towards the 'risk society' (now to 2010)
- 184. Heightened consumer expectations re: quality of food (now to 2010)
- 187. Increased public concern over sustainability, biodiversity, wildlife protection and welfare (now to 2010)
- 188. Increasingly better informed consumers, especially of public services (now to 2010)
- 236. Declining numbers of British students studying science and engineering (now to 2010)

Lifestyles: (14)

- 41. Decreasing household size (now to 2010)
- 49. Rising volume of UK air travel services (now to 2010)
- 50. Increased traffic and car ownership (now to 2010)
- 51. Increased rail demand (now to 2010)
- 150. Increased tendency to lease rather than purchase white goods and other products (now to 2010)
- 151. Increase in consumer desire to buy environment-friendly products (now to 2010)
- 153. Increase in tourism (now to 2010)
- 155. Increased demand for organically farmed produce (now to 2010)
- 162. Increasing amount of computer 'hardware' in the waste stream (now to 2010)
- 164. The increase in urbanisation means an increase in light pollution (now to 2010)
- 166. Growing counter-urbanisation (now to 2010)
- 169. New patterns of consumption in non-Western countries (now to 2010)
- 189. Growing demands for more convenience and flexibility in public services (now to 2010)
- 211. Growing number of 'senior enclaves' in the UK and abroad (now to 2010)

Culture: (1)

- 163. Cultural issues stall sustainability (now to 2010)

Production: (8)

- 123. Shift towards paperless office (now to 2010)
- 174. Increasing creation of new supply chain relationships (now to 2010)
- 175. Increasing shift in balance of power within supply chains from food producers to the major retailers (now to 2010)
- 181. Increase in marine shipping (now to 2010)
- 182. Growing competition for marine and coastal resources (now to 2010)
- 198. Rejuvenation of the inner city driven by increase in single-person households (now to 2010)
- 202. Corporate cultures shift towards open communication structures and 'high trust' value sets (now to 2010)
- 212. Growing expectations within the UK for improved, environmentally benign transport (now to 2010)

Labour: (2)

- 18. Labour increasingly self-employed "knowledge workers" (now to 2010)
- 158. Increasing focus on agricultural issues when new EU members gain accession (now to 2010)

Trade: (3)

- 17. Increasing global product competition (now to 2010)
- 44. Continued growth in housing demand within the UK (now to 2010)
- 170. Increased emphasis on 'globalisation' for new product strategies (now to 2010)

Annex 6 : Phased target setting

Key Performance Indicator (KPI) data sheet

Aims and outcomes statement						

Key Performance Indicators	Target					Responsible
	'07	'08	'09	'10	'11	

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Annex 7 : Template for prioritising the programmes that are included in the strategic plan

A template like the one shown below can be completed for each strategic aim or objective of the Department/Authority. It will show all the potential large programmes of work or major projects that the Department/Authority could undertake in order to contribute to the delivery of the aim or objective, and the approximate costs and revenues associated with each over the next 5 years. Six criteria are then used to give scores that reflect the importance of each programme to the Department/Authority. More details about each of these criteria are provided in the main body of the guide. The template should only be used as a guide to prioritisation.

Strategic aim:			Strategic objective:						
	Estimates for the next 5 years		Key criteria for prioritisation						
Possible programmes / major projects	Total costs	Total Income	Statutory justification	Strategic justification	Financial justification	Suitability	Feasibility	Adaptability	
			0-6 points	0-5 points	0-4 points	0-3 points	0-3 points	0-3 points	Total score
Programme A									
Programme B									
Programme C									
Programme D									
Programme E									
Programme F									

Annex 8 : Format for financial projections

	Year 1	Year 2	Year 3	Year 4	Year 5	Total
	Dhs 000s	Dhs 000s	Dhs 000s	Dhs 000s	Dhs 000s	Dhs 000s
Income						
Source 1						
Source 2						
Source 3						
Etc						
Total Income						

	Year 1	Year 2	Year 3	Year 4	Year 5	Total
	Dhs 000s	Dhs 000s	Dhs 000s	Dhs 000s	Dhs 000s	Dhs 000s
Operating Expenditure						
Programme 1						
Programme 2						
Programme 3						
Etc						
Total Operating Expenditure						

	Year 1	Year 2	Year 3	Year 4	Year 5	Total
	Dhs 000s	**Dhs 000s**	**Dhs 000s**	**Dhs 000s**	**Dhs 000s**	**Dhs 000s**
Capital Expenditure						
Existing projects (started)						
Existing projects (not yet started)						
New projects						
Renewals of existing assets						
Total Capital Expenditure						

	Year 1	Year 2	Year 3	Year 4	Year 5	Total
	Dhs 000s	**Dhs 000s**	**Dhs 000s**	**Dhs 000s**	**Dhs 000s**	**Dhs 000s**
Net funding needed from Government						

THE EXECUTIVE COUNCIL

Annex 9 : Risk analysis framework:

All plans are based on assumptions about the future which may or may not turn out to be correct. The longer the period of the plan and therefore the further off the event, the level of uncertainty is higher. The greater the uncertainty, the greater the level of risk attached to the successful delivery of the plan. You must therefore, an early stage, identify the potential risks to the plan and develop actions to mitigate against them.

Risks can broadly be categorised into the following four areas:

- Agenda risks
- Organisational risks
- People risks
- Environmental risks

These terms are expalined in the main body of the guide within Phase 5.

Having identified the various risks, the two key elements of the exercise are:

- Establish the likelihood of the risk materialising, and,
- Assess the likely impact on the success of your plan, should the risk materialise

The framework below allows you to prioritise risks and establish possible actions to mitigate against the impact of these risks.

Risk analysis framework

Nature of risk (Identify risk)	Likelihood of occurrence Score 1-5 (1=low, 5= high) **A**	Impact if risk materialises Score 1-5 (1=low, 5= high) **B**	Risk score **A** x **B**	Proposed actions	Responsibility**

Note:

**   Identify within whose control the management of this risk lies. It may not always lie within the Department/Authority. Having identified this, discuss with the appropriate Department/Authority, how the risk may best be managed.

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Annex 10 : Template for a strategic plan

Department/Authority name: **xxxxxx**

Period of plan: **2007-2011**

Approved on: **xxxxxx**

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A strategic plan would typically contain the following:

Executive summary

Background

The environmental context for the Department/Authority

Key issues facing management

Mission / Raison D'etre

Values of the Department/Authority

Vision

Strategic aims

Strategic objectives

The strategy for success

- **Key programmes of action, prioritised:**
    - **Statutory justification**
    - **Strategic justification**
    - **Financial justification**
    - **Other**

How these will be delivered:

- **When**
- **By whom**

Framework for measuring success

- **Financial forecasts**

- **Key risks in the delivery of the plan**
    - **Identification of risk**
    - **Assessing potentail impact**
    - **Actions to mitigate risks**
    - **Responsibility for actions**

Annex 11 : Template for a programme plan

A strategic plan will typically be backed up by a set of programme plans. An example template for producing these is shown below.

Programme plan template

1.	**Name of programme:**	
2.	**Strategic objective supported:**	
3.	**Programme manager:**	
4.	**Brief description of programme:**	
5.	**Describe how this programme supports the strategic objective:**	
6.	**Start date:**	
7.	**Finish date:**	

8.	**Programme Team:** • **Internal (Department/Authority)** • **External**	
9.	**Key stakeholders:**	
10.	**What will be achieved by end of Yr 1:**	
11.	**Activity during Years 2-5:**	
12.	**Priority:** • **Statutory justification** • **Strategic justification** • **Financial justification** • **Other**	
13.	**Resources needed:** • **Staff costs** • **Non-staff costs**	**Dhs 000s**

14.	**Key Milestones:** **Milestone 1:** • **Description:** • **Date:**	
15.	**Milestone 2:** • **Description:** • **Date:**	
16.	**Milestone 3:** • **Description:** • **Date:**	
17.	**Milestone 4:** • **Description:** • **Date:**	

18.	**Milestone 5:** • **Description:** • **Date:**		
19.	**Key performance indicators**	**Achievement by End of Yr 1**	**Achievement by end of project**
20.	**KPI 1:**		
21.	**KPI 2:**		
22.	**KPI 3:**		
23.	**KPI 4:**		
24.	**KPI 5:**		

25.	**Risks (nature and source)**	**Likelihood of occurrence (L/M/H)**	**Impact on business (L/M/H)**	**Management of risk**
26.	**Risk 1:**			

27.	Risk 2:			
28.	Risk 3:			
29.	Risk 4:			
30.	Risk 5:			