

Strategic Plan Implementation Processes for Small Municipalities

Jennifer L. Dolecki, MPA candidate
School of Public Administration
University of Victoria
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Client: **Ian McCormack, President**
Strategic Steps Inc.
Norma MacQuarrie, Chief Administrative Officer
City of Lacombe

Supervisor: **Dr. Kim Speers**
School of Public Administration, University of Victoria

Second Reader: **Dr. James MacGregor**
School of Public Administration, University of Victoria

Chair: **Dr. Bart Cunningham**
School of Public Administration, University of Victoria

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Executive Summary

Introduction

Over the last several decades, there has been increasing demand for accountability at all levels of government but at the same time governments have had to deal with an increasingly complex and uncertain environment (Bryson. 2011. p. 1). To partially address these challenges, many municipal governments have developed strategic plans to structure and guide their goals; however, adding to the accountability challenges, these plans are not always fully implemented.

To support reducing the gap between developing and implementing a strategic plan, the objective of this research project was to develop a strategic plan implementation process for use in small municipalities with a population between 7,500 to 15,000. To achieve this, the project focused on answering the following primary research question:

What are the most effective processes for implementing a strategic plan in smaller Alberta municipalities?

The secondary research questions to support the primary question were:

- What are the different types of strategic plan implementation processes?
- Which elements of a strategic plan implementation process are necessary and why given the scale of concerns relevant to small municipalities?
- What elements of a strategic plan implementation process are optional and why?
- What performance measurement processes can support the implementation of a strategic plan?
- What processes for strategic plan implementation are currently used in the case study municipality?
- What needs are not being met by the existing strategic plan implementation processes used in the case study municipality?
- What strategic plan implementation processes can be used in the case study municipality to meet the city's needs?

Methodology and Methods

The research project is designed as a needs assessment, including a case study of an Alberta municipality. To provide context and to gain knowledge on what other similar-sized jurisdictions are doing, a scan of smart practices from six smaller municipalities in Alberta was conducted using semi-structured interviews with Chief Administrative Officers (CAOs) to collect data. The purpose of these interviews was to examine existing practices in the implementation of strategic plans and to identify relevant elements for application in smaller municipalities. The case study also involved conducting semi-structured interviews and focus groups with staff from the case study municipality.

The literature review provides an understanding of strategic plan implementation in general. When the literature is combined with the scan of common practices in other municipalities, it is

possible to make connections between practices supported in the literature with practices that are used in the field.

Key Findings

Findings from the literature review show that strategic planning can be an important tool for moving an organization in a desired direction. Strategic planning in government has particular challenges related to the complex nature of public sector challenges. The implementation of strategic plans is an equally important, although sometimes overlooked, aspect of the strategic planning process in an organization. The literature also shows that measuring the performance of an organization is an important aspect of the implementation of a strategic plan and helps to ensure that an organization meets its strategic goals.

Most CAOs from other municipalities recognize the need for a strategic plan to include a vision endorsed or created by council. Performance measures are considered important, but are included with varying degrees of success. Prioritization of activities within a strategic plan is considered in all of the participating municipalities, although the mechanisms and level of detail for prioritization varies considerably, as does the approach to implementing strategic plans. All of the participating municipalities make connections between the strategic plan and the budget. In some municipalities the activities in the strategic plan drive the budget, and in other municipalities it is the reverse. There is a general sense among CAOs that the strategic plan is an important document.

Within the case study municipality there was a desire for the strategic plan to be a visionary, reaching document that leads administration in their work. Although the need to connect the business plan to the budget was recognized, there was no agreement on which should be developed first. The findings suggest that there is the potential for the business plan to become a more useful part of administration's work through changes to the existing business plans. There is a strong desire for increased collaboration and coordination between departments when developing the business plans, especially for departments that provide support either as their core work, or for other departments.

A seven step Strategic Plan Implementation Process was developed based on the research findings. The process leads to the development of Business Plans, which for the case study municipality are the primary tool to plan and conduct strategic plan implementation.

Recommendations

Recommendation 1: Include operational and support activities as part of the business plan. Including operational items acknowledges their impact on time lines, human resources, and budget and related, the strategic importance of operational items on achieving the vision and mission of a smaller municipality.

Recommendation 2: Retain information on activities that are not funded. This emphasizes the importance of aligning feedback and adjustments to the implementation plan across the organization, especially changes resulting from the approved budget.

Recommendation 3: Involve staff who are below the level of managers in the development of business plans. Increasing the involvement of staff, especially in the early stages of developing the business plans, and then involving them in the discussion after business plans have been finalized, is intended to increase staff buy-in and the likelihood of successful implementation.

Recommendation 4: Plan for a staged implementation of the proposed strategic plan implementation process. To ease the challenges of transition, it is recommended that the proposed process be implemented in stages, coordinated to align with changing provincial requirements in regards to multi-year budgets.

Recommendation 5: Use the strategic plan and business plans as tools for reminding council of their strategic goals. There is potential for a CAO to use a council's strategic plan to maintain council's accountability to the goals originally set out and to justify budget decisions

Recommendation 6: The strategic plan should roll forward each year. A strategic plan should be flexible in order to accommodate changes in the environment and the organization. By updating the three-year strategic plan each year, it is intended that the council will be better able to build on strengths, address weaknesses, take advantage of opportunities, and mitigate challenges.

Recommendation 7: The strategic plan should include 5-8 high level performance measures. Having a limited number of high level performance measures will assist council with maintaining a higher level perspective on the strategic goals, leaving the details of the implementation to administration.

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1.0 Introduction

Over the last several decades there has been increasing demand for accountability at all levels of government but at the same time governments have had to deal with an increasingly complex and uncertain environment (Bryson. 2011. p. 1). To partially address these challenges municipal governments may use strategic plans to identify the goals of elected councils. The strategic plans are then implemented by the administration and employees, often through a business plan and corporate budgets, which are developed to support councils' strategic plan. While the goals of the strategic plan for a municipality belong to the elected representatives on council (Alberta Municipal Affairs. 2010. p. 8), the implementation of the plan is the purview of the administration, specifically the Chief Administrative Officer (CAO), who provides the link between council and the operations of the municipality (Alberta Urban Municipalities Association. n.d.).

There has been very little research into processes for strategic plan implementation for smaller municipalities. Processes commonly used in large municipalities to implement a strategic plan may not be appropriate in small municipalities because items considered operational in a large municipality may be strategic in a small municipality (I. McCormack, personal communication, January 22, 2015). For example, in a large municipality, a neighbourhood revitalization program focused on rebuilding sidewalks could be an operational line in the public works department, but in a smaller municipality, with fewer neighbourhoods, the revitalization of neighbourhoods could be a strategic goal intended to improve the business environment and thus expand the economic base of the entire municipality. The difference between operational (large municipalities) and strategic (small municipalities) items may provide insight into the possibility of scaling processes to meet the needs for strategic plan implementation in differently sized municipalities.

In this project, small municipalities are defined as municipalities with a population between 7,500-15,000. The project explores whether or not a practical and repeatable process would be a valuable instrument to have for municipalities of this size, if one is not already in place.

1.1 Problem Definition and Project Client

The primary client for this project is the president of Strategic Steps Inc. and the secondary client is the CAO of the City of Lacombe. Strategic Steps is an Edmonton based strategic consulting firm that provides services to organizations in the public, non-profit, and private sectors. They provide a wide range of services related to management, policy, communications and technology (Strategic Steps Inc. n.d.). The City of Lacombe CAO is responsible for the administration of the City of Lacombe, located in central Alberta, approximately 125 kilometres south of Edmonton with a population of almost thirteen thousand (Alberta Municipal Affairs. n.d.a.). The two clients have an interest in the results of the research, although for different reasons. The primary client is able to take advantage of the learnings of the needs assessment to apply strategic plan implementation processes and the secondary client benefits from the broader perspective of considering practices used in other communities.

For the City of Lacombe, the CAO has identified a need for a repeatable process to facilitate the implementation of the city's strategic plan. For several years the City of Lacombe has used business plans to formalize the implementation of the council strategic plan. The CAO needs a process that can be used on an annual basis to determine the business and operational activities for the upcoming year. The process will ideally improve the consistency of reporting by functional areas and departments to the CAO, as well as the accountability of those groups to the CAO. The enhanced reporting and accountability mechanism will be designed to also facilitate reporting from the CAO to council. The CAO would also like to coordinate the processes and outcomes for strategic planning, business planning, budgeting and the 10 year capital plan. To support the successful implementation of the strategic plan and enhance the accountability of business planning, the CAO would like to improve the performance measurement processes that are currently used.

The client believes that existing resources for strategic plan implementation are more suited to larger municipalities. The client's theory is that there are no resources that guide a smaller municipality in making the step from strategy to business plan, thus small municipalities are frequently not successful in implementing their strategic plans. Bryson, Berry and Yang (2010, p. 5) in their review of literature, indicate that local governments have increased their experience and knowledge with respect to strategic planning; however, they are looking at cities with populations of 50,000 or more, which is significantly larger than the municipalities considered in this report. Small municipalities generally have fewer employees than larger municipalities, thus there may be insufficient knowledge or expertise in a small municipality to go from a strategic plan to a business or operational plan. This could be a contributing factor to the challenges in implementing a strategic plan.

1.2 Project Objectives and Research Questions

This project will focus on answering the following primary research question:

What are the most effective processes for implementing a strategic plan in smaller Alberta municipalities?

The secondary research questions to support the primary question are

- What are the different types of strategic plan implementation processes?
- Which elements of a strategic plan implementation process are necessary and why, given the scale of concerns relevant to small municipalities?
- What elements of a strategic plan implementation process are optional and why?
- What performance measurement processes can support the implementation of a strategic plan?
- What processes for strategic plan implementation are currently used in the City of Lacombe?
- What needs are not being met by the existing strategic plan implementation processes used in the City of Lacombe?
- What strategic plan implementation processes can be used in the City of Lacombe to meet the city's needs?

Gieseeman (2015. p. 108) describes a product as being effective if it satisfies the users' reasons for using it. Using this definition, processes for implementing strategic plans can be considered effective if they help the organization achieve the desired outcomes stated in the strategic plan. There is a positive relationship between the effectiveness of the processes and meeting the performance measures; however as Dyson (1980. p. 165) emphasizes the final product cannot be the only measure of effectiveness, as there are too many other influencing factors. This may be especially true for strategic planning, where the concept of a complex and dynamic environment is a critical aspect of the strategic planning process itself (Bryson. p. 16). For the clients, effective processes are those that are a useful tool to provide value to the day-to-day operations, that have the buy-in of staff, that increase the level of accountability of the administration and that create a stronger link between the administration and council's strategic plan.

This project is intended to develop a strategic plan implementation process for use in smaller municipalities. The project is a needs assessment using data gathered from CAOs in six small municipalities, along with information gathered from managers and directors in a case study municipality to develop a potential process and an implementation plan template. The City of Lacombe is the case study in that the researcher will be working with Strategic Steps Inc. and the City of Lacombe to develop a template and process for use by city employees to develop their 2016 business plans.

The broader objective of the project is to develop a strategic plan implementation process that can be used by smaller municipalities to assist in the implementation of an existing strategic plan. This will allow the primary client to assist smaller municipalities in developing strategic plan implementation processes. The process will ideally be adaptable to municipalities with different requirements and objectives for their strategic plans. The research for this project is an important foundation for developing a tool to support municipalities in implementing their strategic plans.

1.3 Background

Hawes (2008. p. 1) and Lonsdale, Wilkins and Ling (2011. p. 3) have identified increasing expectations for accountability, which municipalities may address by using strategic plans as a decision making framework (Kabir. 2007. p. 6) and to articulate the goals of council. In Alberta, support is provided to municipalities through the Alberta Municipal Sustainability Strategy Capacity Building Tools website (Alberta Municipal Affairs. n.d.c.) but these tools are directed at formulating a strategic planning process, rather than the implementation of a strategic plan. Bryson, Berry and Yang (2010. pp. 7, 8) identify the balanced scorecard (BSC) approach, modified by Niven for use in the public sector, as a useful tool for implementing strategies. Sharma and Gadenne (2011. p. 167) also identify the balanced scorecard as a "strategy implementation model" although their research focuses on the performance measurement aspect of the BSC. The BSC was not a suitable tool for the City of Lacombe, as the CAO had already identified that they wanted to continue using business plans for each department, although in a format modified to meet their needs.

1.4 Organization of Report

The report is organized into seven chapters. The following chapter is the literature review, which explains the related research that has been completed to date, identifies areas of agreement and disagreement between authors and provides a critical synthesis of the literature. The literature also informs the conceptual framework for this project, which is included at the end of chapter two. Chapter three describes the methodology and methods used to gather, summarize, and analyze the data. This chapter also discusses the strengths and limitations associated with this project's methodology and the methods.

The next two chapters focus on the research findings and their implications. Chapter four provides summaries of the two sets of semi-structured interviews and the focus groups. The first section presents the findings from interviews with CAOs in municipalities of a similar size to the case study municipality. The second section presents the findings from the initial interviews with managers and directors in the case study municipality. The third section presents findings from the focus groups session with managers and directors in the case study municipality. Chapter five deals with the discussion and analysis of the findings.

Chapter six presents recommendations for strategic plan implementation. Explicit options were not developed for the clients, rather options were presented part way through the project, and the selected option was further refined. Chapter six provides the connection between the research findings and analysis, and the practical implications for the clients. The final chapter concludes the report by summarizing the objectives, findings, recommendations and identifying areas for further research.

2.0 Findings - Literature Review

The review of the literature in this chapter provides an explanation and synthesis of research related to strategic planning, the implementation of strategic plans, and performance measurement. Areas of agreement and disagreement between authors are identified and analyzed.

The findings in this chapter suggest that most authors consider strategic planning to consist of multiple elements and although the definitions of the specific elements may differ, the sum total is generally agreed to constitute a long term vision, realized through intended actions, and taking into account the environment of the organization. Also, it is found that strategic planning in the public sector has added complexities due to the political nature (Rider. 1983. p. 74). It is generally agreed that attention must be paid to the implementation of a strategic plan, and that it cannot be assumed that a plan that is developed will be implemented without a specific and targeted effort involving many factors (Yang, Sun & Eppler.2008. p. 3.) One of these factors is considered by some to be performance measurement. The successful use of performance measures depends on the quality of the measures, their connection to the strategies and the reporting.

The literature informs the conceptual framework for this project, which is included as the final section in this chapter. The Business Source Complete, Academic Search Complete databases were the primary databases searched. Other databases include EBSCOhost, JSTOR, ProQuest SAGE Journals online, SAGE Research Methods, Science Direct and Wiley Online Journals. Searches were based on the terms, and variations on the terms, strategic planning, strategic planning in government, strategic planning in local governments, municipal strategic planning, implementing strategic plans, performance measurement and performance measurement in government.

2.1 Strategic Planning

This section provides a definition of strategic planning, describes the mindset of strategic planning and identifies issues specific to strategic planning in government.

2.1.1 Defining Strategic Planning

There are many definitions of strategic planning. Poister and Streib (2005. pp. 45, 46) define strategic planning as the process of considering an approach to achieving the visions and mission of an organization, in light of the existing and expected opportunities and challenges of the environment in which that organization operates. Bryson (2011. pp. 8, 9), in one of the few textbooks devoted to strategic planning in the public sector, defines strategic planning as “a deliberative, disciplined approach to producing fundamental decisions and actions that shape and guide what an organization (or other entity) is, what it does, and why.” Mintzberg and Waters (1985) define strategy as “a pattern in a stream of decisions.” (p. 139). Drucker (1954, in Ebner

2014. p. 14) explains that strategic planning is “asking the question 'what is our business and what should it be?’”

2.1.2 Elements of a Strategic Plan

The common elements of a strategic plan are vision, mission, values, goals, objectives and strategies. There is general agreement in the literature on the definition of vision, mission and values, but less agreement on the definitions of goals, objectives and strategies. Although there is less agreement on the specific meaning of these terms, taken as a whole there is agreement on the qualities of the combined elements of a strategic plan. These elements considered together, rather than in isolation with rigid definitions, allows for the effectiveness of the strategic plan, as discussed by Bryson (2011. p. 79) and Quinn (1993 in Graetz. p. 461).

2.1.2.1 Vision, Mission and Values

Most authors agree that a vision should depict a desirable and attractive state that is realistic, credible and easy to understand (Christenson & Walker. 2004. pp. 40, 42; O’Brien & Meadows. 2000. p. 36; Zuckerman & Coile. 2000. p. 298). It should be motivational and inspiring and describe a future state (Christenson & Walker. 2004 pp. 40-42; O’Brien & Meadows. p. 36; Zuckerman & Coile. p. 298). Ebner (2014. p. 15) describes the vision of an organization as providing both the direction, or desired future state, and the motivation to move to that state.

Bryson (2011. p. 127), Christenson and Walker (2004. p. 42), O’Brien and Meadows (2000. p. 36) and Zuckerman and Coile (2000. p. 298) also agree that a mission should describe the purpose of the organization and why the organization should take on the strategic goals . They also refer to mission as a description of the purpose of the organization (Christenson & Walker. 2004. p. 42; O’Brien & Meadows. 2000. p. 36; Zuckerman & Coile. 2000. p. 298). Values are what Christenson and Walker (2004. p. 40) describe as the underlying assumptions that determine the culture of the organization. O'Brien and Meadows (2000. p. 36) also connect values to the culture of the organization.

2.1.2.2 Goals, Objectives and Strategies

The definitions of goals, objectives and strategies used in the literature vary depending on the context of the research. Although Bryson describes goals as needing to be action words, MacLeod (2012. pp. 68) and Miyamoto (2002) define goals as general, broad in scope and not measurable. MacLeod (2012. pp. 70-71) and Terstegen and Willemsen (2005. p. 20) state that objectives are specific, measurable, achievable, realistic and time bound. This is consistent with Miyamoto's (2002.) description of an objective as something that is specific and can be validated through the measurement of behavioural, attitudinal, informational or output oriented variables. Miyamoto (2002. para. 5) also considers measurability to be an important aspect of objectives, but others (Lindquist. 2006) consider measurability to be important to goals. Terstegen and Willemsen (2005. p. 20) state that objectives should be practical, medium and short term goals that can be viewed as interim steps in achieving strategic goals. In contrast Lindquist (2006) describes goals, rather than objectives as needing to be time based. Lindquist (2006. p. 1) focuses

on the need for objectives to contain specific action verbs, and to be measurable and realistic, while also making sense. MacLeod (2012. p. 70) and Jung and Lee (2013. p. 792) emphasize the need for specificity in objectives.

Bryson (2011. p. 219) describes a strategy as the mechanism by which the organization is connected to its environment. Collis & Rukstad (2008. p. 84) state that a strategy should include three elements: objective, scope and advantage. Each of those elements could be found in different places in a strategic plan. There can be multiple strategies to address each objective and the scope of each one of those strategies will be at least partially determined by how it is measured, and how frequently it is measured. This element of time related to the frequency of measurement is valuable and adds to the quality of the goals and objectives when they are considered together

The variability in definitions highlights the need to be flexible when reading the elements of a strategic plan. It is important to consider the strategic plan as a whole and to avoid separating the parts with a rigidity that prevents finding the relevant pieces.

2.1.3 The Strategic Planning Mindset

Throughout the literature on strategic planning, there is discussion of the importance of strategic planning to move an organization to action and to employ an approach to thinking, rather than to develop plans. The Government of Alberta (n.d. p. 1) phrases it as “strategic planning is more of a planning technique intended to get the organization thinking strategically with a long term perspective”, and emphasizes that it is strategic thinking and acting that is important. This is supported by Bryson, Berry and Yang (2010. p. 3) who state that “strategic planning ... should be understood as partially routinized strategic thinking, acting and learning behaviours.” Stafford (1994, in Terstegen & Willemsen. 2005. p. 43) puts a focus on strategic planning as a mechanism to develop forward thinking and action, rather than a mechanism for developing a plan. Similarly, Goodstein et al (2008, in Ebner. 2014. p. 15) frame this as the need for a strategic plan to consider potential future states, and associated potential options. Government of Alberta (n.d. p. 2) emphasizes the need for an organization to be proactive and shape its environment.

Terstegen and Willemsen (2005. p. 37) further explains that strategic planning is a mechanism for moving an organization towards a results-based orientation. This is supported by the Government of Alberta (n.d. p. 2) where they note strategic planning is an activity that is "action oriented and focused on results" and increases government responsiveness by “placing emphasis on benefits and results, rather than just service efforts and workload” (Government of Alberta. n.d. p. 3). Young (2003. p. 5) states that measures should be oriented to performance, rather than effort.

Young (2003. p. 3) states that “developing multi-year policy plans links present situations or circumstances with a more meaningful vision of the future.” This allows elected decision makers to be both more responsive, and more accountable (Young. 2003. p. 4). Bryson (1995. in Young. 2003. p. 11) describes strategic planning as a method for ensuring that the organization can adjust to changing environments and circumstances. It is a given in most organizations that

resources are, if not scarce, then at least not so plentiful that they can be squandered. Strategic planning is deemed to assist decision makers in allocating resources of all kinds in a manner that is most likely to ensure that the actual goals of the organization are met (Government of Alberta. n.d. p. 2; Young. 2003. p. 9). The resources may be human, financial, time or material.

2.1.3.1 A Flexible Process

Strategic planning provides a foundation for decision making that is based on a consideration of the work of the organization and the goals it aims to achieve. A strategic plan incorporates a strategic analysis of the current situation, and the potential future state, given the constantly changing opportunities, limitations and challenges of both the internal and external environment of the organization.

Government of Alberta (n.d. p. 4.) identifies one element of successful strategic planning as a need to learn from the environment, and that strategic planning should include “continuous learning from both successes and failures.” The Government of Alberta (n.d. p. 6) goes on to link continuous improvement to performance targets. Rider (1983) describes the implementation process as providing “constant feedback to the planning process to account for unanticipated events.” (p. 75). Rider (1983. p. 76) takes this even further by suggesting that in government, the strategic planning process is a tool for encouraging consideration of alternative options, exchanging ideas and negotiating actions to be taken, rather than a static plan.

A strategic plan must be flexible (Rider. 1983. p. 78; Terstegen & Willemsen. 2005 . p. 24), the process should be as simple as possible, and should be integrated into work flows, rather than being added onto existing work flows (Government of Alberta. n.d. p. 15). To “help maximize the chances for successful outcomes... the structure and details of the process [should not be] allowed to become an ends rather than a means (Government of Alberta . n.d. p. 15). McGill (1988. p. 82) believes a key point is to relate the operational aspects of strategic planning to the strategic framework. Bryson (2011. p. 79) and Quinn (1993 in Graetz. 2002. p. 461) consider that for a strategic plan to be effective, it needs to be dynamic enough to accommodate the realities and opportunities of different organizations and situations.

2.1.4 Strategic Planning in Government

It is recognized that the public sector itself and decision making in government is a political process (Bryson, Berry & Yang. 2010. p. 5, 8; Rider. 1983. p. 74; Self. 1979. in McGill. 1988. p. 78). Bryson (in Government of Alberta. n.d. p. 15) characterizes government decision making as consisting of shared power, fragmentation and lack of consensus. Despite this acknowledgement, there is little documentation of a system describing how a manager should deal with political pressures, competing expectations, partisan politics, political coalitions, political appointees or term limits (Bryson, Berry & Yang. 2010. p. 502). Mintzberg (1975. in McGill. 1988. p. 78) and McGill (1988. p. 78) believe that the political nature of the public sector makes it impossible for public sector organizations to rely on the usual neutral and technical tools of management.

In discussing the transfer of private sector strategic planning techniques to the public sector, McGill (1988. p. 78) frames the discussion in terms of the impact of the political nature of the public sector. McGill (1988. pp. 78, 79) recognizes that at the operational level, or what he describes as the third level of performance, management concerns in the private and public sector are very similar. The political dimension, and lack of a market in the public sector, leads to differences in the nature of outputs, the need for negotiation and the evaluation of performance (McGill. 1988. pp. 78, 79).

2.2 Strategic Plan Implementation

The development of a strategic plan and the implementation of a strategic plan can be considered as part of the same process (Bryson. 2011. pp. 10, 11). Since the focus of this research project is on the implementation of a strategic plan, it is considered as a distinct topic.

2.2.1 Definition of Implementation

Despite the limited research pertaining to the public sector environment in Yang, Sun and Eppler's (2008) review of the literature, there is useful information that may be applicable to the public sector. A significant contribution from their work is a definition of strategic implementation that combines both the process and behaviour perspectives common in the literature, and their own observations on the importance of employees and the external environment. Bryson (2011. p. 52) would support the consideration of the external environment. This definition of strategic implementation is:

strategy implementation [is] a dynamic, iterative and complex process, which is comprised of a series of decisions and activities by managers and employees – affected by a number of interrelated internal and external factors – to turn strategic plans into reality in order to achieve strategic objectives. (Yang, Sun & Eppler. 2008. p. 6)

2.2.2 Importance of Implementing Strategic Plans

A particular area of struggle for many organizations, or at least of less focus, is in making the connection between developing the plan and implementing the plan (Poister & Streib. 2005. p. 48). This could be related to not assessing the feasibility of the strategies that are proposed, which is also a common problem (Poister & Streib. 2005. p. 54). The summary of strategic planning described in Bryson (2011. p. 11) suggests that organizations do not spend enough time deliberating on the strategy implementation thus the decisions made about where they want to get to, and how they might get there, are not as fully thought out as they could be. That can make implementation itself more difficult. Further, if where an organization wants to go, and how it will get there are not well thought out, then the organization may find that it has been working to get to a state that does not match the strategic intentions determined in the planning.

Plant (2008. p. 1) argues that it is as important to lay out how the strategic plan will be implemented as it is to develop the strategic plan. From Plant's perspective, development of a strategic plan is the beginning of the process to have a strategy that impacts the organization's

decision making process, not the end of the process. This aligns with Köseoğlu, Barca & Karayormuk's (2009, p. 79) assertion that the organization itself will change as a part of implementing a strategic plan. This requires an organization to always be reconsidering its strategic plan, in light of the changed reality of the organization.

As Myrna (2012) says "A strategic plan is meant to be implemented." (p. 138). This sentiment is echoed by Aaltonen et al (2002 in Köseoğlu, Barca and Karayormuk. 2009) when they point out that "the best strategies are useless unless they are applied well." (p. 79) and by Plant (2008, p. 1). Implementation is considered by Shah (2005, in Köseoğlu, Barca and Karayormuk. 2009, p. 78), Schellenberg (1983, in Köseoğlu, Barca & Karayormuk. 2009, p. 79) and Irwin (2011, p. 1) to be the most difficult, complex and time consuming part of strategic management. Given the complexity, there are several challenges and good practices for an organization to actually implement strategies. Köseoğlu, Barca and Karayormuk (2009, p. 77) cite a Fortune magazine study claiming that 90% of strategies are unsuccessful, and the single most important cause is poor implementation. Raps (2004, in Köseoğlu, Barca and Karayormuk. 2009, p. 77) states that strategies are successfully implemented at a rate between 10% and 30%. These statistics indicate the importance of paying attention to the process of implementing strategies.

2.2.3 Amount and Type of Research on Implementation

There is not nearly as much research on the implementation of strategic plans as there is on the formulation of strategies. In the research that does exist, the implementation process is integrated into the formulation process, making the results very difficult to attribute to just the implementation process. This emphasizes the importance of implementation being considered throughout the strategic planning process but does result in less research available on the specific subject of strategy implementation. The strategic planning process should include both strategy formulation and strategy implementation (Alexander. 1991, in Köseoğlu, Barca and Karayormuk. 2009, p. 78; Korey. 1995, p. 40). In addition, much of the research is focused on private business organizations, rather than the public sector. Despite this focus, it is often plausible to extend the high level generalizations to the public sector.

The literature review by Yang, Sun and Eppler (2008, pp. 7, 10) describes a state of research that focuses primarily on private organizations and public organizations that are influenced by market conditions. These public organizations are what McGill (1988, p. 77) refers to as the public trading sector, which consists of organizations that have the same market influences as private organizations but, more importantly, also have a political dimension. This demonstrates the importance of research into strategic implementation in the public sector as there is currently very little research that addresses the public sector, where there are no market influences.

A notable exception to this lack of research is Umashev and Willett's 2008 case study of Australian local government associations' implementation of a balanced scorecard (BSC). The BSC can be generalized as a strategic performance measurement system. Thus most of the findings could be generalized to other local government organizations or to multi-layered, multi-objective, not-for-profit and public sector organizations (Umashev and Willett 2008, pp. 378, 395).

2.2.4 Key Factors Influencing Success

Yang, Sun and Eppler (2008), Umashev and Willet (2008) and Köseoğlu, Barca & Karayormuk (2009) each identify different factors or categories that influence the success of implementation. These factors and categories have been combined and are discussed in the sections communication, alignment of goals, measuring progress, business plans and action plans, integration of the elements of implementation and other factors.

Yang, Sun and Eppler (2008. pp. 10, 11) identify nine individual factors that contribute to successful implementation of strategies:

1. strategy formulation process
2. strategy executors
3. organizational structure
4. communication activities
5. level of commitment for the strategy
6. consensus regarding the strategy
7. relationship among different units/departments and different strategy levels
8. employed implementation tactics
9. administrative system in place.

Umashev and Willet (2008. p. 379) identify alignment, communication, leadership, training, feedback, employee empowerment and the effect of incentive schemes, as the principal factors in implementation. They also emphasize the interdependent nature of these factors (2008. p. 390).

Köseoğlu, Barca & Karayormuk (2009. p. 81) adopt Alachloo et al's (2005 in Köseoğlu, Barca & Karayormuk. 2009. p. 81) four categories for factors influencing strategic implementation:

- planning consequences;
- organizational issues;
- managerial issues; and
- individual issues,

Planning consequences are part of strategic planning, while the other three categories are part of strategy implementation. The results of their research indicate that organizational issues are the most significant factors influencing the success of strategy implementation. In particular “incompatible organizational culture, competing activities among people, lack of adequate communication, lack of effective co-ordination and lack of adequate information system” were the most common problems (Köseoğlu, Barca & Karayormuk. 2009. p. 87).

This literature review is generally focused on the more tangible aspects of implementation. Other critical factors in implementing a strategy include recognition, leadership, trust and culture (Towers and Spanyi. 2004. pp. 50, 52). The importance of these aspects is recognized, yet these are not elements that will be addressed directly in the project, so they have not been included in the literature review.

2.2.4.1 Communication

Communication is probably the most important element in developing and implementing strategies. Good communication must be established and maintained across different levels of the organization (Kaplan & Norton. 2001. p. 102; Stellar Leadership. n.d. p. 9; Towers & Spanyi. 2004. p. 49). Although recognized as being important, communication is an area where many organizations struggle to establish a connection between the different levels of the organization (Martin. 1998, in Umashev & Willet. 2008. p. 391).

According to Towers and Spanyi (2004. p. 48) and Stellar Leadership (n.d. p. 9) it is important that all members of the organization, at all levels, have a clear understanding of the intent of the strategies. A common understanding is important to ensure that the strategies developed across the organization will all be working to move the organization in the same direction (Collis & Rukstad. 2008. pp. 84, 90; Irwin. 2011. p. 3). When it comes to implementation, having strategies that are well aligned with each other, and with the organization's goals, helps to ensure that efforts are not wasted, or worse, counter-productive. In Towers and Spanyi (2004. p. 90) the strategy is described as a path used to reach the destination, equally important in knowing the path is knowing what that goal, or destination, really is.

According to Irwin (2011. p. 3), Plant (2008. p. 3) and Umashev and Willet (2008. p. 391) good communication also facilitates improved feedback mechanisms across the organization to facilitate changes, or adjustments, as needed. Communication impacts all other aspects of implementation from gaining commitment, to leadership and training (Umashev & Willet. 2008. p. 394). The University of Hawaii (n.d. para. 2) provides a rationale for having a communications strategy that includes stakeholder awareness, collaboration, transparency, participation, buy-in, support and communicating outcomes.

2.2.4.2 Alignment of Goals

Umashev and Willet (2008. p. 378) focus most of their paper on the difficulties in cascading balanced scorecard measures to lower levels of the organization. When the balanced scorecard approach is considered as a specific form of strategic performance measurement system (SPMS), then cascading can be considered analogous to alignment of goals across the organization. Alignment is described by Umashev & Willet (2008. p. 378) as the consistency in the application of strategic goals across the organization. This could be expanded to include Köseoğlu, Barca & Karayormuk's (2009. p. 81) idea of the importance of coordination across functions, as well as vertically. Umashev and Willet (2008. p. 378) state that cascading, or alignment, is likely to be a challenge for strategy implementation in any complex organization. They go further and suggest that alignment and communication, discussed above, may be greater issues in the public sector than the private sector because of the need to satisfy a variety of objectives, including social objectives, not just financial objectives (2008. p. 380). Given the importance of communication, consistency in the interpretation of those goals across the organization is another important aspect of alignment (Plant. 2008. p. 1). Umashev and Willet (2008. p. 388) emphasize that alignment should be at the level of the overall goals, or success factors.

2.2.4.3 Measuring Progress

To improve the chances of a strategy being implemented, a key element is measuring the progress that is made (Kaplan & Norton. 2001. p. 87; Towers & Spanyi. 2004. p. 49). Kaplan and Norton (2001. pp. 87, 102) believe the balanced scorecard, originally a tool for measuring performance in terms of indicators beyond the purely financial, evolved into a system for strategic management because it emphasizes the link between performance measurement and implementation of strategies. Umashev and Willet (2008. p. 388) emphasize that each level of an organization should be allowed to develop their own measures, thus ensuring employee empowerment. They also emphasize that alignment should be at the level of the overall goals, or success factors.

Strategic performance measurement systems were developed to help organizations recognize a more diverse set of factors for decision making, and to explicitly link these factors to organizational strategy (Umashev & Willet. 2008. p. 379). A common example of an SMPS is the balanced scorecard, which was originally designed as a performance measurement tool for the private sector, but has been adapted to meet the needs of the public sector (Kaplan and Norton. 2001. pp.97, 98). The balanced, multi-dimensional, approach allows public sector organizations to address issues of governance and accountability (Umashev & Willet. 2008. p. 378).

2.2.4.4 Business Plans and Action Plans

Plant (2008. p. 1) describes a holistic model for strategic planning that has as one of the final steps the development of an operational business plan, which he describes as an “action planning document.” Similarly, Terstegen and Willemsen (2005. p. 25) describe work plans as the mechanism to translate strategic objectives into operational activities. Terstegen and Willemsen’s (pp. 26, 27) description of work plans includes details on activities, timelines, resources and performance indicators.

Once again the definitions of these terms vary depending on the researcher and the context. What is important is that all of the necessary elements are present, rather than the labels they are given. It is possible to consider the business plan as the plan for implementing the strategic plan and the action plan as the detailed description of that implementation.

Action plans are the mechanism by which an organization can actually realize the objectives that have been identified in the strategic plan. The action plan connects to the strategic plan “in the day-to-day realities of the organization” (McNamara. n.d.b. para 3). Ebner (2014. p. 15) explains that part of strategic planning is setting goals and objectives, and realistic targets to meet them, which combine to provide what he calls guidelines for day-to-day decisions. Each major area of the organization should have an action plan that details the work the area will undertake to reach the strategic goals. Together, the action plans of the individual areas will address all of the strategic goals. To ensure that the action plans are appropriate, they should specify how they are related to the organization’s overall plan (McNamara. n.d.b. para. 7). The action plans must include detail on who will complete each action and the time frame in which each will be

completed (McNamara. n.d.b. para. 5). The more complex the strategies, the greater the level of detail that will be required in the corresponding action plans.

An action plan, or work plan, describes how strategic objectives are translated into specific activities that must be undertaken in order to realize the objective (Government of Alberta. n.d. p. 12; Terstegen & Willemsen. 2005 . p. 25). After a strategic plan has been developed, the implementation begins. This is where the focus shifts to “results oriented action” (Terstegen & Willemsen. 2005 . p. 31). To help ensure the successful implementation of the action plan, the activities should also meet the requirements of the objectives to be SMART, that is, specific, measurable, attainable, results oriented and time bound. (Government of Alberta. n.d. p. 11; Terstegen & Willemsen. 2005 . p. 25). Tasks and responsibilities must be clearly detailed (Terstegen & Willemsen. 2005 . p. 31).

2.2.4.5 Integration of the Elements of Implementation

Bryson, Berry and Yang (2010. p. 2) believe that strategic management has moved beyond strategic planning, to become a framework where the strategic planning process influences, or guides, both budgeting and performance. Brown (2001. p. 112, in Young. 2003. p. 13) describes implementation as the phase of strategic planning where resources, communication, feedback and adjustment are all aligned. This demonstrates the importance of integrating these elements. As part of his description of the National Baldrige Quality Program, Young (2003. pp.12-15) includes the importance of linkages among human, fiscal, technological and other resources. In particular, Young (p. 14) emphasizes that the activities in an action plan must have an adequate budget in order to have a chance at success. Terstegen and Willemsen (2005. p. 22) and others (McGill. 1988. p. 80; Rider. 1983. p. 78) state that in order to implement a plan, it must have the necessary financial supports. Terstegen and Willemsen (2005. p. 24) and McGill (1988. p. 82) advocate for integrating the annual budgeting process with the review and assessment of the strategic and financial plans, further stating that a fiscal plan, along with the action plan to implement the strategic plan, can serve as the starting point for annual budgeting (Terstegen & Willemsen. 2005. p. 22). The Government of Alberta (n.d. p. 13), McGill (1988. pp. 80, 81) and Rider (1983. p. 77), also emphasize the importance of linking the action plan to budget and the decision making process.

2.2.4.6 Other Factors

To develop strategies there must also be a common understanding of the terminology that is being used and the processes that are in place (Stellar Leadership. n.d. p. 9). This helps with communication, and makes the next steps clear.

Another challenge is making sure that even as leaders develop strategies and decide what they should do, they cannot overlook the need to decide what not to do (Bryson. 2011. p. 222; Kaplan & Norton. p. 98). If an organization cannot identify the things it needs to stop doing, then it will expend its limited resources doing things that are not needed to meet the strategic goals. Collis and Rukstad (2008. p. 86) define the identification of what should be done and what should not be done as the scope of an organization.

A clear understanding of roles and responsibilities can also help to ensure the implementation of a strategy (Bryson. 2011. p. 236; Köseoğlu, Barca & Karayormuk. 2009. p. 87). Towers and Spanyi (2004. p. 50) discuss the importance of having the right people in the right place for the right roles.

2.3 Performance Measurement

Performance measurement is important in the public sector to add value and improve accountability (McAdam & Saulters. 2000. p. S652). However, as with other areas of strategic planning, much of the literature regarding performance is related to the private sector. Wisniewski and Stewart (2001, in Yetano. 2009. p. 168) argue that “performance measurement, in the public sector, is still in its infancy.”

Performance measurement can be considered the first step in a performance management system. Although Halachmi (2005, in Yetano. 2009. p. 168) states that developing an integrated system for performance management is important, this review of the literature focuses on performance measurement. The rationale being that the organization for the case study does not currently use performance measures, and the first step to move in that direction should be the establishment of performance measures, and a culture of performance measure. An organization must use indicators and performance measures before it can realistically evolve to an integrated performance management system (Yetano. 2009. Abstract). Despite this approach, there will be some discussion of performance management systems to provide a potential description of a desirable end state.

2.3.1 Performance Measures Described

Performance measurement in the public sector differs from that in the private sector in what McGill (1988. p. 78, 79) describes as the social and managerial, or first and second levels. These two levels demonstrate that efficiency and cost effectiveness are not the only criteria for evaluating performance, and as Blumnethal (1979, in McGill. 1988. p. 78) notes, they are often not the most important criteria.

The definition of performance measurement emphasizes the importance of adding value and improving accountability in the public sector (McAdam & Saulters. 2000. p. S652). Domanović, Jakšić and Mimović (2014. p. 1459) describe performance measurement as “a process of quantifying the efficiency and effectiveness of the actions that lead to performance.” McAdam and Saulters (2000. p. S652) use Neely’s (1998) description of effectiveness as meeting requirements, and efficiency as the economical use of the organizations resources in meeting those requirements.

Plant (2008. p. 3) states that a common understanding of the objective of performance measurement and reporting is also critical for successful implementation of strategies. He goes on to state that performance measures should be objective and “measure progress towards...the vision and goals, identify areas for improvement and reward success.” (2008. p. 3).

Plant (2008. p. 3) and others (McAdam and Saulters. 2000. p. S655) stress the importance of having only a limited number of high level indicators to communicate how the organization is progressing towards achieving the strategic objectives. These measures should include both financial and non-financial measures, such as employee satisfaction and customer service (McAdam & Saulters. 2000. p. S652). Non-financial performance measures are important for improving decision making and they help to address the complexities of the public sector environment (Yetano. 2009. p. 177)

McAdam and Saulters (2000. p. S652) state that to develop performance measures, an organization must consider key indicators, which can be represented by measurable data. As McDavid, Huse and Hawthorn (2013. p. 357) put it, an organization must consider indicators that connect the construct that is being measured, with the data. Young (2003. p. 5) states that measures should be related to performance, rather than effort. It is important to have performance measures that are based on key indicators, that are a good representation of what is actually important, rather than simply what can be easily measured (McDavid, Huse & Hawthorn. 2013. pp. 133, 164). McDavid, Huse and Hawthorn (2013. p. 133) discuss how administrative data, related to outputs, is often more easily, and inexpensively, gathered than data on outcomes, and thus output measures are often used as a proxy for outcome measures.

Performance measures should also monitor the process and the external environment (Government of Alberta. n.d. p. 14). The connection of performance measures to budget demonstrates some sophistication in the strategic planning process (Chenhall. 2005, in Domanović, Jakšić and Mimović. 2014. p. 1459; Poister & Streib. 2005. p. 47). Logic models can be used to identify key components, activities, outputs and outcomes, and then make connections. This can include processes and environmental factors and assists in an integrated approach to performance measurement (McDavid, Huse and Hawthorn. 2013. p. 76)

2.3.2 Importance of Performance Measurement

Measuring progress is a key element in successful implementation of a strategy (Kaplan & Norton. 2001. p. 87; Towers & Spanyi. 2004. p. 49). According to McAdam and Saulters (2000. p. S654) “The goal of strategic performance measurement is to link execution and strategy.” This sets a good foundation for performance measurement, by linking it to strategic planning and its implementation.

The importance of performance measurement is described by Salkić (2014. p. 63) who states that implementation of a strategic plan “involves defining specific requirements which an organization needs to fulfil in order to achieve the expected results.” Bryson (2011. p. 292) states that communities use performance measurement to assess how they are doing and to support alignment among the different efforts of the organization.

Performance measures are a mechanism for assessing the progress being made on objectives, and providing feedback to make adjustments when necessary (Government of Alberta. n.d. p. 12). In this way accountability for results is built (Government of Alberta. n.d. p. 12). Cunningham and

Harris (2005, in Yetano. 2009. p. 168) demonstrate that performance measures should be a part of strategic planning. The OECD (1997, in Yetano. 2009. p. 176) categorizes performance measurement initiatives as seeking “to: manage efficiency and effectiveness; improve decision making; and improve external transparency and accountability to parliament and the public.” Based on her research, Yetano (p. 176) expands this to include a drive to improve planning processes.

Atkinson and McCrindell (1997. in Umashev & Willet. 2008. p. 381) believe that the performance measurement model used by government should be strategically focused to increase the effectiveness of determining performance against objectives and thus enabling greater accountability.

Yetano (2009. p. 167) cites several authors (Jackson & Lapsley. 2003; McAdam, Hazlett & Casey. 2005; Van Thield & Leeuw. 2002) who describe performance measurement in the public sector as a significant area of change, with significant resources being allocated to performance measurement and many public sector organizations engaging in performance measurement, management and evaluation. Despite the importance of performance measurement in the public sector, and the resources being devoted to performance measurement, Yetano (2009. p. 167) notes that there are claims that the complexity of local government and the variety of services provided do not allow for the advantages of performance measurement, such as increased accountability (McDavid, Huse and Hawthorn. 2013. p. 4).

2.3.3 Reporting on Performance

Monitoring the implementation of a strategic plan allows an organization to ensure that their efforts are moving the organization in the direction identified in the strategic plan (Birnbaum. n.d. para. 2; McNamara. n.d.a. para. 1), and to adapt plans as required. As McNamara notes (n.d.a. para. 3), action plans are not rules that must be followed, but rather guidelines for moving the organization forward. As the realities change, the plans must be able to adapt. Birnbaum (n.d. para. 10) identifies four possible changes that can be made to a strategic plan to make corrections. Changes can be made in the schedule, tactics, strategy or in the objective itself.

Terstegen and Willemsen (2005. p. 32) suggest weekly, monthly, quarterly and yearly meetings, with various levels of staff in the organization, to ensure that progress, or lack of progress is adequately monitored. Government of Alberta (n.d. p. 14) suggests reporting on performance measures on a quarterly basis.

In Yetano’s (2009. pp. 171, 173) case study of two local Australian governments, she identifies the organizations reporting on achievements every three months and providing an annual report that tracks progress by making connections to budget and a corporate plan. Yetano (2009. p. 172) further describes business plans for each branch that include annual strategies and outputs. These two local governments use performance indicators in planning, reporting, monitoring and establishing targets, with the development of outcome measures being valued over simple output indicators (Yetano. 2009. pp. 173-174). Holzer and Kloby (2005 in Yetano. 2009. p. 176)

suggest that accountability is improved by specifying goals, treating goals as planned targets and matching results with the plans.

2.3.4 Performance Management

Domanović, Jakšić and Mimović (2014. p. 1459) define performance management “as a system of measurement and reporting that quantifies the degree to which managers achieve their goals.” This definition is very suitable to the private sector environment they discuss, but there is some concern (Carassus, Favoreu & Gardey. 2014. p. 246; McGill. 1988. pp.77, 78; Worall, Collinge & Bill. 1998. p. 479) that simply applying private sector models in the public sector fails to realize the significant differences between the two. Worall, Collinge & Bill (1998. p. 479) emphasize that a government is accountable to citizens, provide more than just services and must contend with complex problems that have more to do with the public good, than a bottom line.

A successful performance management system should provide information that helps an organization manage, control, plan and perform activities. The information should be timely, accurate, relevant and accessible. Such a system must be designed to meet the particular circumstances of the organization (Domanović, Jakšić and Mimović. 2014. p. 1459).

Some systems of performance measurement include benchmarking, Balanced Score Card (BSC), Best Value in the United Kingdom, Service Effort and Accomplishment in the United States (McAdam & Saulters. 2000. p. S653; Yetano. 2009. p. 167). The BSC integrates vision, mission, strategy, objectives and perspectives and has been adapted for use in the public sector (Kaplan & Norton. 2001. p. 99; Yetano. 2009. p. 168).

2.4 Conceptual Framework

The research question was formulated using a deductive reasoning approach, working from a general theory that was narrowed down to a more specific hypothesis as described by Trochim & Donnelly (2008. p. 16). The preliminary theory of this research is that, regardless of levels of support and availability of resources, the existence of a strategic plan does not necessarily lead to the implementation of that strategic plan. In order for a strategic plan to actually be implemented there also need to be tools or guidance, on how to implement the plan. In other words, without tools to move the strategic plan from a theoretical abstract concept, into a concrete, operationalized, guiding framework for future decisions, it is very difficult, if not impossible, for organizations to successfully implement a strategic plan. Using a post-positivist, constructivist paradigm, the research begins with the belief that it is possible to determine effective strategic plan implementation strategies based on experienced-based evidence (Trochim and Donnelly. 2008. p. 19). The definitions of post-positivism and constructivism come from Trochim and Donnelly (2008. p. 19) who describe post-positivism as a recognition that reasonable inferences can be made based on experience based evidence, rather than the positivist view that only direct measurement can produce meaningful inferences, and constructivism as the idea that reality is created by our perceptions.

To answer the research question, an inductive reasoning approach was used by gathering specific observations from which generalizations were made (Trochim & Donnelly 2008. p. 17). Detailed observations of specific elements of strategic plan implementation were made in a set of small municipalities, and in a case study municipality. From these observations, generalizations about strategic plan implementation in small municipalities were made, leading to conclusions about the effectiveness of strategic plan implementation.

The conceptual framework for this needs assessment is presented in Figure 1 below.

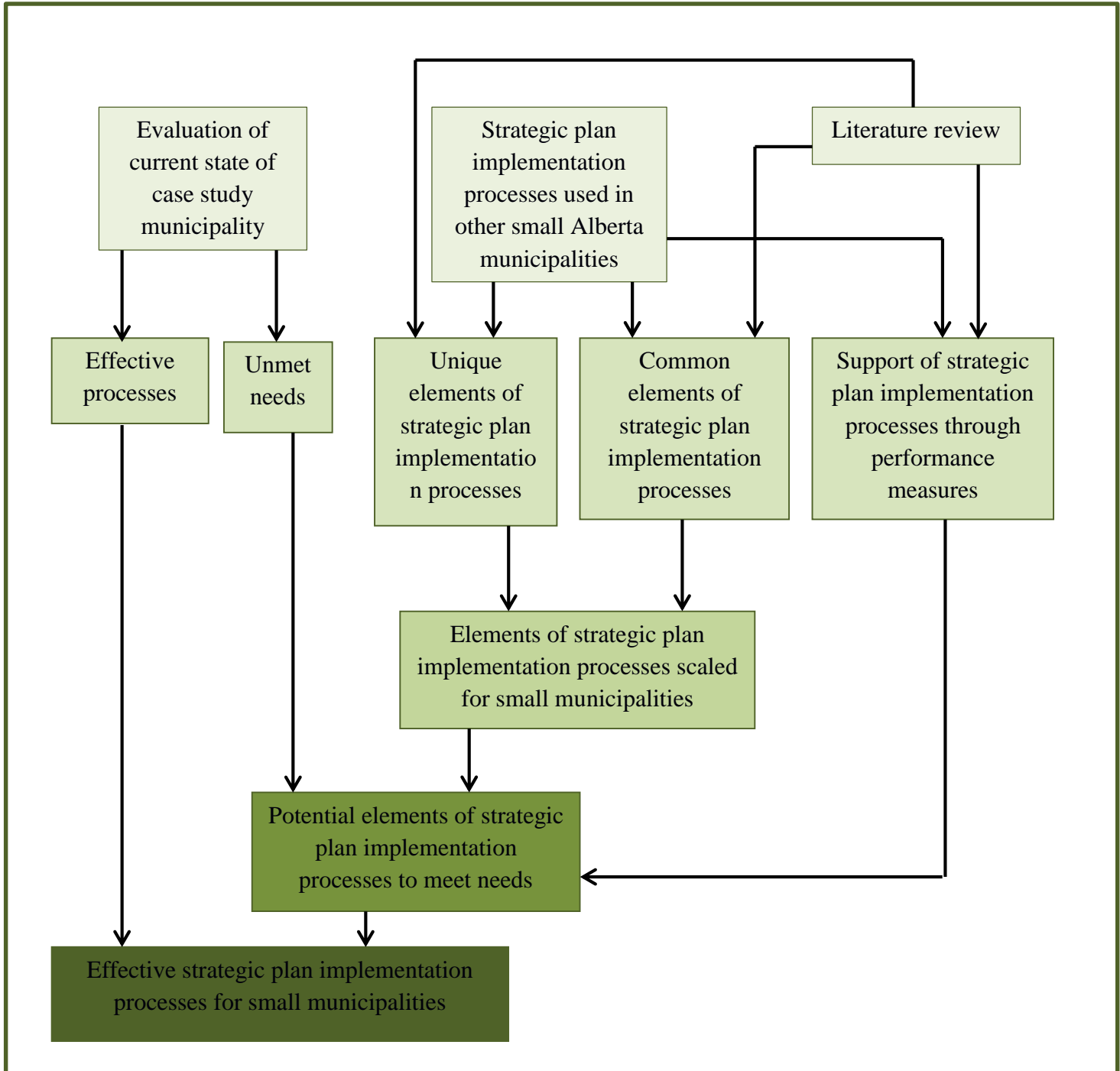


Figure 1: Conceptual Framework

2.4.1 The Problem As Part of the Conceptual Framework

This section describes the connection between the conceptual framework and the specific problem being addressed, namely how to effectively implement a strategic plan in a small to mid-sized local government.

Many public sector organizations are grappling with the increased expectation that strategic planning will guide their organizations (Worrall, Collinge & Bill. 1998. pp. 472, 490). The public wants reassurance that the public sector is effective and efficient (Worrall, Collinge & Bill. 1998. p. 472). The public sector must also be accountable to elected officials. Worrall, Collinge and Bill (1998. p. 472) contend that although many local governments have strategies, this does not mean that the strategies are being implemented. Strategic planning at the municipal level occurs in larger municipalities, where there are the resources to either hire the required expertise, or to develop it. In smaller municipalities, this may not be possible but they may be able to apply the learnings of larger organizations. The lessons from those organizations should be adapted to fit the different scale of operations in a smaller municipality.

The first foundation of the conceptual framework is a case study of the City of Lacombe. This provides information on processes that city staff believe are effective and also where they have needs that are not being met by existing processes. The second foundation of the conceptual framework is the scan of other small municipalities in Alberta to identify implementation processes used. Unique and common elements of implementation processes were identified along with how performance measures were used to support implementation. These unique and common elements of implementation processes, and performance measures used to support implementation, are also identified through the literature review, the third foundation of the conceptual framework.

To move the City of Lacombe forward, the information gathered from the other municipalities and the literature review was used to identify elements of strategic plan implementation that could address the unmet needs of the city. The approach for moving the case study organization forward was to define their current process for developing business plans, compare that to processes for implementing a strategic plan used in other municipalities, and to identify the gaps between the two. An alternative business plan development process for use by the case study organization was then developed. It was assumed that the existing level of knowledge and expertise within the organization would be a significant factor in the organization's ability to move to the future state.

2.4.3 Evaluating the Product

This section describes the final box in the conceptual framework and links it to how the clients will determine if the product is useful.

In the future, the City of Lacombe would like to have a business plan process that is repeatable on an annual basis, in order to determine the business and operational plans for the upcoming year. Ideally the process will provide consistency of reporting by, and accountability of,

functional areas and departments to the CAO. In addition the processes and outcomes for strategic planning, business planning, budgeting and the 10 year capital plan will be coordinated, and performance measurement processes will be established.

The conceptual framework ends with effective strategic plan implementation processes for small municipalities. To determine if the proposed strategic plan implementation process is effective, it will be evaluated based on the degree to which it provides value to the day-to-day operations, the degree to which it connects with other plans, or planning elements, and the degree to which it reflects the strategic plan.

Implementation processes need to be considered effective by both the CAO, and other administrative leads, and by the staff who are responsible for the implementation. For the CAO in the case study, there are three main factors that determine the success of the implementation process:

- Linkage to budgets and to the 10-year capital plan,
- Level of accountability of staff as determined through performance measures
- Level of buy-in of staff.

Moreover, the client feels that in order for the strategic plan implementation processes to be considered effective by the staff, they must feel that the end product provides them with a useful tool for more than an annual reporting requirement. They should also feel like the process allows them to provide input back into the strategic plan itself, in an iterative process, so that their experience and expertise can be used to inform the next version of the strategic plan. The need to have the business planning process perceived as a useful tool, rather than an additional item of work, without relevance or connection to the individual, will be one of the biggest challenges in moving the organization to the future state.

The process developed for the case study municipality should also have the potential to be adapted for use in other small municipalities.

2.5 Summary

Strategic planning can be an important tool for moving an organization in a desired direction. Strategic planning in government has particular challenges related to the complex nature of public sector challenges. The implementation of strategic plans is an equally important, although sometimes overlooked, aspect of the strategic planning process. Measuring the performance of an organization is an important aspect of the implementation of a strategic plan and helps to ensure that an organization meets its strategic goals.

3.0 Methodology and Methods

This research project uses a qualitative methodology in a primarily descriptive, cross-sectional, study as described by Trochim and Donnelly (2008, pp. 5, 6). The research approach consists of a literature review, a scan of best practices from other municipalities and a qualitative analysis through a needs assessment and case study of the City of Lacombe. This section provides detail on the methodology and methods, and then describes the strengths and limitations of the research.

3.1 Methodology

The research project is designed as a needs assessment, including a case study of the City of Lacombe. The case study includes a scan of best practices in other municipalities and a needs assessment. The case study approach focuses the findings on the specific context of the City of Lacombe. Yin (1989, in Noor, 2008) describes a case study as being suitable when investigating “a contemporary phenomenon within its real life context” (p. 1602). Noor (2008) also emphasizes that a case study is appropriate “when dealing with a process” (p. 1602). Noor’s description of suitable instances for using a case study supports the use of a case study of the City of Lacombe to investigate the processes of strategic plan implementation.

The literature review provides an understanding of strategic plan implementation in general. When the literature is combined with the scan of best practices in other municipalities, it is possible to make connections between practices supported in the literature, with practices that are actually used in the field. The needs assessment incorporates a situational analysis of the City of Lacombe and its current practices, to inform recommendations on the strategic plan implementation process, the business plan template and the implementation timeline.

There were three aspects of primary data collection for the needs assessment. The first aspect of primary data collection was a scan of best practices from smaller municipalities in Alberta. This was conducted to examine existing practices in the implementation of strategic plans and to identify relevant elements for application in smaller municipalities. The second and third aspects constitute a case study of the City of Lacombe and involve semi-structured interviews and focus groups.

3.2 Methods – Document Review

Secondary Analysis

The literature review is intended to describe and develop a broad understanding of strategic planning in general and strategic plan implementation more specifically, using existing academic and professional literature. Through the literature review, commonly used elements of strategic plan implementation processes were identified as well as relevant aspects of performance measurement.

Data for the literature review was gathered using primarily the Business Source Complete and Academic Search Complete databases. Search terms included variations on the terms strategic planning, strategic planning in government, strategic planning in local governments, municipal strategic planning implementing strategic plans, performance measurement and performance measurement in government. Sources include academic and professional publications including books, academic and professional journals and government reports.

Primary Analysis

Existing business plans from the City of Lacombe were reviewed to set the context for the researcher to determine the current state of practice. The 2015 business plans for 14 business areas were analyzed to determine the information that was included and the degree of commonality of business plans for different departments. The City of Lacombe departments are listed here:

- Computer and Information Services
- Corporate Services
- Financial Services
- Fire
- Utilities
- Engineering and Safety Services
- Communications and Emergency Public Information
- Community Services
- Parks
- Barnett Arena / Facilities
- Community Economic Development
- Roads and Fleet Services
- Planning
- Recreation and Culture

The 2015 City of Lacombe Business Plan template can be found in Appendix 1. Themes from the literature review and analysis of the existing business plans were used to develop the questions for the semi-structured interviews.

3.3 Methods – Primary Data Collection

Data was gathered through a literature review and review of documents from the City of Lacombe to develop a set of questions for semi-structured interviews with two distinct participant groups.

Semi-structured interviews were conducted with CAOs from other Alberta municipalities with similar populations to gather information on common practices in other municipalities. Semi-structured interviews were also conducted with Directors and Managers from the City of Lacombe. Interviews were selected as an appropriate method to gather the required data because it allowed the researcher to connect with participants. Semi-structured interviews provided

flexibility to participants while maintaining enough structure that the research questions could be addressed (Rabionet. 2011. p. 564).

3.3.1 Semi-Structured Interviews: CAOs

Semi-structured phone interviews were conducted with CAOs in six small municipalities in central and southern Alberta. Seventeen potential participant municipalities were identified as being within the desired population range of 7,500 to 15,000 using census population data from the Municipal Census and Population Lists (Alberta Municipal Affairs. n.d.a.). The eight municipalities closest in population to Lacombe were contacted first to request participation in the research. CAOs in six of those municipalities agreed to participate, which met the desired number of CAOs outlined in the project proposal. Participant consent forms for this group can be found in Appendix 2.

The 15 interview questions provided to CAOs in advance of the phone interviews can be found in Appendix 3. Findings from the semi-structured interviews were used to identify commonly used strategic plan implementation processes that could be used in the City of Lacombe and incorporated into the draft strategic plan implementation process. The municipalities all have existing strategic plans and the level of implementation of those plans varies. The findings from this research were used to augment the findings from the City of Lacombe needs assessment. The research only included qualitative reporting by the participants themselves as to the effectiveness of their strategic plan implementation processes. That reporting was considered accurate, and in the analysis was treated with the same weighting as the primary research completed with the City of Lacombe itself.

3.3.2 Semi-Structured Interviews: City of Lacombe Staff

Semi-structured, individual, in person, interviews were conducted with city employees. All management staff, which consists of three directors and ten managers, participated in the semi-structured interviews. Participant consent forms for this group can be found in Appendix 4. Non-management staff was not invited to participate as the clients felt they would have less to contribute since they are not currently responsible for producing business plans. This also served to reduce the number of potential participants to a manageable level.

The 23 questions provided to participants in advance of the in person, semi-structured interviews can be found in Appendix 5. Findings from the semi-structured interviews were used to identify existing practices and employee's perceived gaps in practice. The findings from the semi-structured interviews with city employees were considered along with the findings of the semi-structured interviews of CAOs in other municipalities to evaluate the current state of processes for strategic plan implementation and to consider possibilities for a desired future state. The future state includes a draft strategic plan implementation process and draft business plan template, along with an implementation timeline.

3.3.3 Focus Groups: City of Lacombe Staff

The findings from the literature review, primary analysis of the existing business plan templates and the semi-structured interviews with both CAOs and City of Lacombe staff were used to develop a draft strategic plan implementation process and a business plan template. Follow up focus group interviews with city employees were conducted to gather feedback and determine levels of satisfaction with the draft strategic plan implementation process and draft business plan template.

Three, in person focus groups were conducted using the same set of eight questions, provided in Appendix 6. Of the 13 City of Lacombe directors and managers who participated in the semi-structured interviews 12 also participated in the focus groups. One group consisted of two of the three directors, as the third director was unable to participate in any focus group. The other focus group sizes were five and six participants. In the six participant group, one of the participants was not a manager or director and had not participated in the semi-structured interview, but had been asked by the client to attend the focus group. Findings from this final aspect of primary research were used to refine the draft strategic plan implementation process and the draft business plan template.

3.4 Data Analysis

Analysis of the data was primarily through a thematic content analysis, where documents are analyzed to identify the themes or major ideas (Anderson. 2007. pp. 1, 2; Trochim & Donnelly. 2008. p. 151). In this case the documents consist of the findings from the literature review, the semi-structured interviews with CAOs from other municipalities, and semi-structured interviews and focus groups with City of Lacombe staff. The data was analyzed using a conventional content analysis without a rigid pre-conceived coding scheme (Hsieh & Shannon. 2005 in Trochim & Donnelly. 2008. p. 182). This allowed themes to emerge, depending on the data gathered. The major ideas in the literature are listed below.

- Strategic planning, including the definition of strategic planning and strategic planning in government;
- Strategic plan implementation, including the definition of implementation, the importance of implementing strategic plans, the amount and type of research on implementation and key factors influencing success of implementation;
- Performance measurement, including performance management, a description performance measures, the importance of performance measures and reporting on performance measures

The themes that emerged from the semi-structured interviews with CAOs are listed below.

- Description of the elements of their strategic plans and how they were developed;
- Prioritization and responsibility for activities;
- Implementation of the strategic plan;
- Connections to budget; and
- The value of strategic planning.

The themes that emerged from the semi-structured interviews with and City of Lacombe staff are listed below

- Level of satisfaction with different elements in the existing strategic plan;
- Linking the strategic plan, business plan and budget;
- The existing business plan development process and template; and
- The use of business plans and connections among departments.

The findings from the focus groups with City of Lacombe staff can be grouped into the themes of the strategic plan implementation process and the business plan template.

3.5 Strengths and Limitations

A significant strength of the data is the level of participation from the managers and directors of the City of Lacombe. The participation rate for this group was 100% for the interviews and 93% for the focus groups.

The report is limited by the target level of participation of CAOs in other small municipalities at five to seven participants. With six CAOs participating, the target was reached, and the analysis reveals that at least a minimal level of “saturation” was reached, as some responses began to repeat (Saumure & Given. 2008. para. 1).

A further limitation of the project is the nature of the existing strategic plan for the City of Lacombe. When considering actions to move the city to a desired future state, the starting point is extremely relevant. The existing strategic plan includes specific action items in support of the strategic pillars more than strategic goals. As a result, the draft business plan template includes information on the use of both the action plan type items of the existing strategic plan and the higher level strategic goals that would ideally exist in future strategic plans.

The project involves the administrative arm of the City of Lacombe but not the elected council. The project does not include consideration of, or involve representatives of, services under provincial or federal jurisdiction, for example schools, hospitals, or highways. Even though the city will need to coordinate services in these areas, it is beyond the scope of this project to facilitate multi-jurisdictional services.

4.0 Findings: Semi-Structured Interviews and Focus Groups

Three sources of primary data supplemented the findings of the literature review. The first source of primary data is interviews with CAOs from six other municipalities of a similar size. The second source of primary data is interviews with the 13 directors and managers at the City of Lacombe. The final source of primary data is focus groups with directors and managers with the City of Lacombe to discuss a draft strategic plan implementation process and draft business plan template. The findings from this research are presented below.

4.1 Findings from Interviews with Chief Administrative Officers

The data gathered during interviews with CAOs in the six municipalities of a size similar to the City of Lacombe were grouped based on the nature of the strategic plan and its' development, how activities were prioritized and where responsibility rested, implementation of the strategic plan, connection to the budget and the value of strategic planning. Themes in each of these areas were then identified using thematic content analysis. The themes and the relevant points in each theme are presented in this section. For each of the general areas, the questions that were most likely to have elicited the related responses are provided; however, because semi-structured interviews were used, there were many instances where the related response was actually provided for a different question.

4.1.1 The Strategic Plan

Themes that emerged in response to the questions below are provided in Table 1.

- Does your community have a strategic plan? If so, how long has it been in place? Is it publicly available?
- How is the strategic plan developed? Who provides input to the strategic plan?
- Who uses the strategic plan and for what purposes?
- What elements does the strategic plan include? e.g., vision, mission, strategic issues, strategic goals, performance measures, strategic outcomes, strategies, activities, etc.

Table 1: Themes related to the strategic plan, its development and performance measures

Theme	Findings
Municipalities have a publicly available strategic plan that belongs to council.	All six of the municipalities have a publicly available strategic plan. The length of time these plans have been in place range from “as long as I can remember” to three years. Two of the municipalities use a facilitator to help develop the strategic plan. All municipalities emphasize that the strategic plan belongs to council, and council is the primary participant in the development of the strategic plan. In four municipalities, the CAO is also involved in the development of the strategic plan, and in the other two this was not specified. In four municipalities, management has some level of input into the development of the strategic plan.

Municipalities often include a vision in the strategic plan.	Five of the municipalities include a vision in the strategic plan and of those, four have a mission and two have values. The sixth municipality does not have a vision or mission and the CAO is “not sold on that idea.”, describing it as “fluffy”, but providing no further explanation. Five municipalities have goals and the sixth municipality has focus areas.
The use of performance measures is varied across municipalities.	Four municipalities stated that they have performance measures, but three of those municipalities identified performance measures as an area of weakness, or as an area where they are actively trying to improve the quality of the measures. Two CAOs did not respond to this question. Three municipalities commented on performance measures, with two saying that they incorporate metrics or results into the business plan.
Actions for the strategic plan.	All six of the municipalities have specific actions within their key planning documents. Three CAOs commented that activities were not included in the strategic plan, but were included in project or work plans. When asked if the strategic plan included activities, one of these CAOs responded “no, because then it wouldn't be strategic.” In one municipality, actions are part of the strategic plan. Another municipality has action plans at multiple levels of the organization. One other organization has detailed project plans that are approved by council. One of the municipalities includes operational activities to ensure that day to day work is aligned with the strategic plan.

All but one of the participating CAOs recognized the need for a strategic plan to include a vision endorsed or created by council. Performance measures are considered important, but are included with varying degrees of success. Actions to implement the strategic plan are used, but exist in several different places, from the strategic plan to project plans.

4.1.2 Prioritization and Responsibility for Activities

Themes that emerged in response to the question below are provided in Table 2.

- If the strategic plan includes activities, how are the activities in the strategic plan prioritized? Are there defined responsibilities for each of the activities? Are there specific roles or positions responsible for implementing each activity?

Table 2: Themes related to the prioritization of and responsibility for activities

Theme	Findings
How activities are prioritized varies across municipalities.	All six CAOs commented on their approach to prioritization. One municipality voted, although it was not clear who was involved in the voting process. Three municipalities did not prioritize among goals, with two of those CAOs commenting that everything was a priority. One of those CAOs added that this was an area for development. One municipality used a high, medium and low priority system, and the sixth municipality went through a prioritization

	<p>exercise that included a Strengths, Weaknesses, Opportunities and Threats analysis and a focus on goals over outcomes.</p> <p>Three CAOs specifically identified that the CAO or city manager was accountable for the implementation of the strategic plan. One municipality stated that division heads were responsible for moving their items forward.</p>
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Prioritization of activities is a consideration for all of the participating municipalities, although the mechanisms and level of detail for prioritization varies considerably.

4.1.3 Implementation of the Strategic Plan

Themes that emerged in response to the questions below are provided in Table 3.

- Does your community have a plan to implement the strategic plan? What is the name for it? e.g., business plan
- Who develops the implementation plan? Who provides input to the implementation plan? How is the implementation plan developed?
- What elements does the implementation plan include? e.g., outcomes, outputs, performance measures, responsibility, accountability, etc.
- Is the implementation plan connected to the strategic plan? Is the implementation plan connected to any other plans, such as capital plan, municipal sustainability plan?
- Do you have a template for the implementation plan?
- Who checks on the progress of the implementation plan? i.e., Where is the accountability? Is it to council? Who is responsible for providing the report on performance?
- Is there a communication plan associated with the implementation plan? Is it an internal or external plan or both? How is the communication plan developed?
- Does the communication plan include consideration of internal stakeholders or external stakeholders?

Table 3: Themes related to strategic plan implementation, reporting, communicating and the use of performance measures

Theme	Findings
There are different approaches to implementing the strategic plan.	<p>Two municipalities use distinct business plans for implementing the strategic plan. One municipality has a combined strategic plan and rolling business plan, called an “integrated plan,” with the budget attached each year. One municipality has a strategic business planning document to which a budget is attached each year.</p> <p>All of these municipalities develop their strategic plan implementation plans using a senior management team.</p> <p>One municipality does not have a documented implementation plan, although they have plans to begin developing business plans, led by senior staff. The sixth CAO was unclear in their response.</p>

Municipalities report on the strategic plan implementation with differing frequencies.	One municipality reports to council on implementation monthly. Four municipalities report to council on a quarterly basis. The sixth CAO identified 'periodic' reporting which meant annual reporting, with plans to increase the frequency of reporting to monthly.
Communicating the strategic plan is done in different ways.	All six of the CAOs commented on mechanisms used to communicate the implementation of the strategic plan, with two of the CAOs identifying that they have formal communications plans. A third municipality has the option for a communications plan, which is developed or not, based on the complexity of the activity. Two municipalities do not have formalized communications plans for the implementation of the strategic plan. The sixth CAO described mechanisms for external communications, but did not comment on a formal plan. The nature of engagement with external stakeholders varied considerably across the municipalities. Some municipalities actively communicated to external stakeholders through traditional and social media, while others relied on external stakeholders to seek out information on the municipality website.

The approach to implementing the strategic plan was variable across the participating municipalities. All of the municipalities report on the implementation of the strategic plan to council and communicate progress on the implementation to both council and the public.

4.1.4 Connections to Budget

Themes that emerged in response to the question below are provided in Table 4.

- Is the implementation plan connected to the budget?

Table 4: Themes related to connections to the budget

Theme	Findings
Municipalities connect the budget to the strategic plan in different ways.	Two CAOs commented that the process for connecting the implementation plan to the budget was iterative. One CAO commented that the strategic plan and business plan framework was “designed to drive the budget”, while one other CAO commented that the goals, outcomes and actions “set up the budget”. Two CAOs suggested that the direction of influence was the budget impacting the activities in the plan.

All of the participating municipalities make connections between the strategic plan and the budget. In some municipalities the activities in the strategic plan drive the budget, and in other municipalities it is the reverse.

4.1.5 The Value of Strategic Planning

In response to the invitation to provide additional information participants noted the following.

Theme	Findings
The importance of strategic planning is recognized.	Two CAOs commented on the value of a strategic plan for keeping council focused on higher level goals. One of these CAOs also commented on the need to distinguish between strategic, tactical and operational activities. One CAO noted that this was valuable when council wanted to react to public input and add to the business plans, or go in a different direction. One CAO emphasized the need for staff to remember that the strategic plan is council's document.

Although there were not many specific comments on the value of the strategic plan, there was a general sense that it was an important document. One CAO noted that “we make a lot of decisions on the fly. [The strategic plan] has got to be used as a guideline” to provide the higher level perspective on where council wants to go, so that the hallway decisions can be made in alignment with what council wants.

4.2 Findings from Interviews with City of Lacombe Directors and Managers

The data gathered during semi-structured interviews with the City of Lacombe directors and managers were grouped into six areas. The groupings are based on the following areas.

- relation to the city's existing strategic plan,
- linkages between the strategic plan, business plan development and budget processes,
- business plan development process itself,
- existing business plan template,
- use of business plan; and
- connections among departments in the business plans.

For each area, themes and sub themes were then identified using thematic content analysis. Themes and their relevant points are presented in this section. Since semi-structured interviews were used, the grouping of data is not strictly tied to specific interview questions. In the descriptions of the themes and sub themes in this section, the questions that most commonly elicited responses related to those themes are provided, but there were many instances where the relevant responses were provided for other questions.

4.2.1 The Existing Strategic Plan

Themes that emerged in response to the questions below are provided in Table 5.

- What are the most useful parts of the strategic plan? What additional information would you like in the strategic plan?
- What would you like to see changed about how the strategic plan is implemented?
- Are the measures in the strategic plan useful?
- Do you use the measures in the strategic plan to help develop your business plan?

Table 5: Themes related to the existing strategic plan

Theme	Findings
The strategic plan as the direction from council.	Eight participants identified the strategic plan as the record of the priorities that elected officials wanted to focus on, or “the direction from council.”
The strategic plan should be more reaching in terms of goals.	Eight participants expressed a wish for the goals in the strategic plan to be more visionary, reaching or ambitious. In particular, seven participants who commented on the level of specificity of the goals and objectives in the strategic plan felt that they were more similar to an action plan or work plan than strategic goals. Notably, two participants felt that the objectives were generic and wished they were more specific. Five participants expressed a desire for the strategic plan to be higher level, to allow for administration to provide input regarding how these higher level objectives could be achieved. Several of these participants linked this to increased usability and buy-in for implementation.
The strategic plan should be part of an active decision making process.	Five participants discussed the idea that the strategic plan is not referred to throughout the year and the priorities in the strategic plan do not guide administrative decision making. Ten participants expressed a desire for administration to have more input into the strategic plan, and for the process of developing the strategic plan to be more iterative, both within a given year, and from year-to-year. Six participants expressed that they do not see their areas reflected in the strategic plan.
There were concerns regarding the usefulness of the measures in the strategic plan.	Seven participants found the performance measures in the strategic plan were not useful. Many of those were highly critical of the usefulness of the measures. Two participants thought that the measures were useful, one thought they were 'ok'. Three participants provided contradictory responses, indicating both that the measures were useful and that they were not.
There is a need to clarify the relative priority of the strategic plan and other council approved plans.	Two participants raised questions about the use and integration of other council approved plans, such as master plans, in the development of the strategic plan, and later development of the business plans.

There is a general dissatisfaction with the existing strategic plan in terms of it having too great a level of specificity, how it is not used to guide decision making throughout the year, and the limited areas that are represented. At the same time there is a desire for the strategic plan to be a visionary, reaching document that leads administration in their work.

4.2.2 Linking the Strategic Plan, Business Plan and Budget

Themes that emerged in response to the questions below are provided in Table 6.

- How is your business plan and the development of your business plan tied to the budget process?
- Do you see an opportunity to better link the strategic planning process with business plan development and budget process? If yes, how do you envision a better linkage?

Table 6: Themes related to linking the strategic plan, business plan and budget

Theme	Findings
There is a need to link the business plan and budget to the strategic plan.	Ten participants identified a need to link the strategic plan, business plan and budget more directly. These participants also expressed that the strategic plan should be the basis for the business plan, and that the budget should then support the business plan. Five participants commented that currently the budget drives the business plan, some saying that the budget is the sole driver for what is in the business plan. Several participants commented that this indicates a disconnect between developing the business plan, and the budgeting process. Two participants expressed that the budget should drive the business plan.
It is important, though challenging, to prioritize activities in the business plan.	Four participants commented on how activities in the business plans are actually prioritized through the budgeting process. Five participants expressed that there was no process for prioritizing business plan activities from different departments. Three participants expressed the idea that the activities prioritized in their department business plan were a reflection of what they personally feel is desirable. One participant commented that the full list of priorities of the departments are not presented to council, thus council has an incomplete picture of administration's priorities. Three participants commented that the business plans were a justification of their department activities, with one claiming that the business plan justified the department's existence.
There is a need to make revisions to the business plan on an ongoing basis.	Three participants expressed a desire for increased communication as budget decisions are made, one identifying a desire for an iterative budget decision process. Six participants expressed concern that business plans were not updated to reflect the results of the budgeting process. Three participants commented on the possibility that activities could be added to a business plan at any point, either by council or from another department. One participant expressed a need to have room in the business plan to address these activities.
There is a desire for multi-year strategic plans, business plans and budgets.	Five participants noted the different time frames of the strategic plan (four years) and the business plan and budget (one year). Two participants expressed a desire for multi-year budgets, with one noting the upcoming regulatory requirement from the provincial government to adopt three year budgets. Four participants expressed that it would be beneficial to have longer term,

	multi-year business plans to facilitate forecasting.
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The need to link the business plans and budget to the strategic plan was recognized, although there was not agreement on whether the business plans or budgets should be developed first. How activities in the business plans are prioritized is an issue, as is the need to keep business plans updated, based on budget decisions. There were suggestions to match the term of the strategic plan and business plan to assist with alignment.

4.2.3 Existing Business Plan Development Process

Themes that emerged in response to the questions below are provided in Table 7.

- What would you like to see changed about how business plans are developed?
- What is the greatest strength of the process for developing the business plan?
- What are the greatest weaknesses or flaws of the process for developing the business plan?

Table 7: Themes related to the existing business plan development process

Theme	Findings
There are challenges in developing business plans.	Four participants identified difficulties in developing business plans based on a strategic plan in which they had little input. Three participants had difficulty making time to complete the business plan each year.
There is a desire to identify recurring or operational items.	Four participants commented that they have the same activities each year, so the activities in their business plans do not change. One participant identified that the business plan included high level activities, but it did not reflect the day-to-day activities of the department. One participant commented that not including the operations in the business plan gave an incomplete picture of their work.
The measures in the business plan have limited usefulness.	Four participants expressed that the measurable outcomes section of the business plan was useful for identifying 'what we hope to accomplish'.
There is no perceived value to the business plan.	Eight participants felt that the business plan did not add value. One participant commented that it was an exercise rather than a management tool. Three participants felt the process consisted solely of completing the template and submitting it to the director. Comments include the perception that it is assignment, to fill in boxes, that the business plans are not looked at, and that the business plan development process is disjointed. Three of the same participants who felt there was no value in the business plans, also expressed that they see value in being required to think about the intended purpose of activities, the stated goals, planning for what will be required throughout the year. Four additional participants also expressed these positive attributes of the business plan development process. Five participants commented that there was no process for following up on

	the business plan, or reviewing it throughout the year.
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There were challenges identified in completing the business plans, and a significant sentiment that the business plans added little to no value. This seemed to stem from a general sense that there is no clearly defined process for completing business plans. At the same time there was a sense that the process of thinking about some sections of the business plan was valuable. This suggests that there is the potential for the business plan to become a more useful part of administration's work.

4.2.4 Existing Business Plan Template

Themes that emerged in response to the questions below are provided in Table 8.

- What is the easiest part of the existing business plan template to complete? What is the hardest part to complete?
- What information do you use to complete your business plan? Is there other information you would like to have access to?
- What steps do you follow to complete the business plan template?
- What information would you like to add to the existing business plan template?
- What would make the business plan template more useful to you?
- What is the greatest strength of the business plan template?
- What are the greatest weaknesses or flaws of the business plan template?

The official existing business plan template can be found in Appendix 1. There are three additional formats for business plans that are currently being used.

Table 8: Themes related to the existing business plan template

Theme	Findings
The format of the business plan template should be consistent across departments.	Five participants identified that using only one template across departments would be helpful. The reasons include the ability to prioritize activities across departments, the desire to only complete a template once and consistent presentation. Ten participants stated that the existing template is easy to use. One participant has never used the template. One participant commented that the business plan template should be streamlined and not be a duplicate of information that is presented elsewhere. Two participants expressed a desire for the template to use bullets or be in a chart format. Three participants expressed a desire for the boxes to be removed from the template. One participant commented that there should be consistency between the formats of the strategic plan and the business plan. One participant expressed a desire for the business plan to include images and serve as an information piece for those outside the organization.
A variety of information is used to	To complete the business plan the following sources of information were used by participants. The number of participants commenting, out of the 13

develop the business plans.	participants, is identified in brackets.	
	<p>Existing plans or documents</p> <ul style="list-style-type: none"> • Items in the strategic plan (9) • Previous years business plan (7) • Budget (5) • Master plans (4) • Sustainability plan (3) • Business plans from other departments (1) • Capital plan and budget (1) • Studies (1) • Action plans (1) 	<p>Other input</p> <ul style="list-style-type: none"> • Success of programs (1) • Committee (1) • Surveys (1) • Staff input (6) • Feedback throughout the year (3) • Public input used or would be preferred (2)
Additional information that could be included in the business plan	The additional information that participants felt should be captured in the business plan is listed below. The number of participants making the comment, out of the total 13 participants, is identified in brackets.	
	<p>Coordinating activities and resources</p> <ul style="list-style-type: none"> • Impacts on other departments(3) • Work flows (3) • The sequencing of activities / schedule (2). • Amount of time or resources (2) <p>Linking to other documents and plans</p> <ul style="list-style-type: none"> • Link to the strategic plan (5) • An estimated cost / budgets (5) • Link to plans other than the strategic plan (1) 	<p>Measurements and requirements</p> <ul style="list-style-type: none"> • Service levels (2) • Measures (1) • Communication requirements (1) <p>Other</p> <ul style="list-style-type: none"> • Ideas and innovation (1) • Multiple years (1)

Although there were many comments related to the business plan template, and many additional pieces of information that could be added, the most common sentiment towards the template is best expressed by the following participant comment “There is not any strength to it. It is benign.” This indicates the indifference of most participants to the business plan, but also the possibility of altering the template to improve its usefulness.

4.2.5 Use of Business Plans and Connections Among Departments

Themes that emerged in response to the questions below are provided in Table 9.

- What parts of the business plan do you refer to throughout the year?
- How does the business plan influence your day-to-day work?

- Do you report on the business plan on a regular basis during the year? Do you provide an annual report on the business plan? What does this reporting look like?
- Do you report on other things, besides the business plan? Are there elements of that reporting that would be useful to you in the business plan?
- Do you coordinate completing your business plan with the other directors and managers? If so, how do you do that?
- What influences do the other business plans have on your business plan?

Table 9: Themes related to the use of business plans and connections among departments

Theme	Findings
The business plan has variable levels of influence on department work.	Six participants commented that the business plan had no real influence on their work. One participant commented that it did not have a large influence on day to day work. One participant commented that the business plan was used to ensure that day to day activities were resourced. One participant commented that the business plan does not capture the core operational work of the department. Nine participants commented that they use some aspect of the business plan during the year to assist with their work. Aspects used include projects, time lines, priorities, goals, activities and collaborative partners. Six participants commented that they use all of the business plan, or use it continuously throughout the year. This contradicts the general sentiment expressed in section 4.1.3, that there is no perceived value to the business plan.
Day to day activities take priority over business plan activities.	Two participants commented that day to day activities are more likely to influence the business plan, than the business plan influencing day to day activities. Two other participants commented that the activities in the business plan are considered only after the day to day work is completed.
Current reporting does not focus on the business plan.	Twelve participants stated that they did not report on the business plan on a regular basis. Participants commented that they provided reporting on other items to council, and their directors. Reporting done on a weekly or bi-weekly basis was primarily verbal. Reporting done on a monthly, quarterly or annual basis was often written. Six participants expressed a desire for reporting on performance metrics in the business plan to hold them accountable, or to highlight the value of activities.
It is important for collaboration and coordination between departments while developing the business plans.	Eleven participants expressed a desire to have greater discussions during the development of the business plans. Comments included a desire to share ideas, coordinate activities, use an iterative approach to developing business plans, and to have ongoing access to, and discussions of, business plans throughout the year. Two participants expressed that the existing process for sharing business plans was sufficient. Eleven participants stated that the business plans were developed in silos, in isolation from other departments. Two of those commented that there was some expectation that they would coordinate, but that it was informal. One

	<p>other participant commented that their coordination occurred within the department and with the director.</p> <p>Five participants commented that they provide support to other departments, but are often not made aware of the requirements while creating their own business plans. Three participants further commented that this can lead to the work on their business plans not being completed. One participant added that the business plans of other departments have considerable impact on their business plans.</p> <p>One participant commented on the need for a process for prioritizing activities across departments during the development of the business plan.</p>
<p>Understanding the time and resources required for an activity is needed.</p>	<p>Four participants commented on the need for the business plan to include more detailed information on the amount of time, people and other resources that are required for each activity.</p>

There was variability between departments regarding the use of the business plan throughout the year. There are significant issues with day-to-day activities taking precedence over business plan activities. There is a strong desire for increased collaboration and coordination between departments when developing the business plans. This is especially true for departments that provide support to other departments either as their core work, or for other departments to complete projects.

4.3 Findings from Focus Groups with City of Lacombe Directors and Managers

The data gathered during focus groups with the City of Lacombe directors and managers was grouped into comments related to the draft strategic plan implementation process, the business plan template and general comments. Within each of these groups, data was categorized as an area of support, suggestions for improvement or an area of concern. The draft process and template used in the focus groups are found in Appendices 7 and 8. Due to the nature of the focus groups, it is not possible to determine how many participants were in agreement with particular ideas, as agreement could be expressed by head nodding, or a simple 'yes'. The focus group questions can be found in Appendix 6.

4.3.1 The Strategic Plan Implementation Process

Themes that emerged in response to the question below are provided in Table 10.

- Which part(s) of the process do you think will be the most challenging? What are your ideas for addressing those challenges, or tools or resources that could be useful?
- What would you like to change about the draft strategic plan implementation process?
- One year from now, how will you be able to tell whether you have been successful in implementing the business plan?

Details on each of the steps discussed can be found in Appendix 7.

Table 10: Themes related to the strategic plan implementation process

Theme	Findings
There was support related to the strategic plan implementation process.	There was support for retaining information on which activities were unfunded (step I), and the high degree of collaboration and consultation required (steps B and C). The importance of building flexibility to review and revise existing plans into the process was underlined, as was the ability to connect the business plan directly to the strategic plan and strategic goals, and make the business plan more relevant throughout the year.
There were general suggestions to improve the strategic plan implementation process.	<p>Participants made the following suggestions to improve the strategic plan implementation process.</p> <p>Budget:</p> <ul style="list-style-type: none"> • Provide a way to reallocate budgets if a project is not going to happen. • Complete the second draft of the business plan after the input to the budget process. <p>Input:</p> <ul style="list-style-type: none"> • Have managers present when council is deciding on budget so that they can answer more questions. • Include input from outside organizations and citizens <p>Layout:</p> <ul style="list-style-type: none"> • Emphasize the iterative nature of the steps, especially D to F. • Provide a visual representation of the process. <p>Recording, reporting and review:</p> <ul style="list-style-type: none"> • Change prioritization categories to Mandatory and Proposed. • Remove bi-weekly reporting, as it is too frequent. • Review business plans throughout the year. • Look 18 months in advance, but build in the flexibility to accommodate changes as the environment shifts through the year.
There were suggestions related to Step D – Review and Prioritize Draft 1.0 of Business Plans.	There were numerous suggestions related to the discussion in step D. These ranged from expanding the opportunity for discussions to other steps, to the need for clarity on how this discussion should be structured. Several participants felt that the discussion should be held off-site as a full day retreat. There was recognition that “this is time consuming, although time well spent”. Participants felt that the directors and CAO should be involved in the discussion to provide strategic guidance, and “give us more buy-in”. There was also the idea that “The implementation process needs a singular “champion” to facilitate the process and to drive the continual improvement of the plan!”
There were concerns related to Step D – Review and Prioritize Draft 1.0 of Business Plans.	Concerns were expressed about the nature of the interaction in step D, and the need for clarity on “what this collaboration looks like”. There were concerns expressed about the amount of time required to develop and update the business plans, and the difficulty in identifying inputs. There were also concerns about the frequency of reporting, and whether this

	would add value, as many strategic activities have a long timeline and there may not be changes in a two-week period. Other concerns include the general challenge of changing an existing process, and the difference between version 1.0 and 2.0 of business plan.
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The greatest support, number of suggestions and concerns were related to Step D, the collaborative discussion to prioritize business plan activities across the organization.

4.3.2 The Business Plan Template

Themes that emerged in response to the question below are provided in Table 11.

- How will this draft template of the business plan aid or hinder your work once it is implemented?
- What would you like to change about the draft business plan template?

Table 11: Themes related to the business plan template

Theme	Findings
There was support for, and concerns related to, the template.	There was appreciation for the straightforward presentation of the information, without the “fluff”. The connection to the budget for strategic, operational and support activities, was seen to meet a need for all aspects of an activity to be funded. Concerns were raised about the format of the template and that it included too much information, in a format that was “not pleasing to the eye”. At the same time some participants liked the format and the amount of information.
There were suggestions for the template.	Participants made the following suggestions to improve the business plan template. Additional sections: <ul style="list-style-type: none"> • Include a timeline for the activities. • Include a section on risks or challenges for the activity. • Include a section on the prioritization of the activity. • Include a description and rationale for the activity. Clarify: <ul style="list-style-type: none"> • Include a reference number for each activity so that it can be linked for supporting departments. • Indicate whether budget comprises one-time funding or ongoing funding. Format: <ul style="list-style-type: none"> • Use a consistent format that should be required across the organization. • Use a colour system to indicate status of activities, including the date they were updated. • Simplify the template by combining the input columns and using the

	<p>draft dollar amounts to indicate whether budget and other resources are anticipated or approved.</p> <ul style="list-style-type: none"> • Provide clarity on what is meant by outputs, performance measures and targets. • Emphasize that the business plan is “what” is being done and the work plan is “How” it is done.
There was support for, and concerns related to, the inclusion of operational items.	<p>Support was expressed for the inclusion of operational activities, especially for departments where this consumes the majority of their time and focus. Identifying support departments was thought to “ensure an appropriate level of resources is in place to accomplish work”.</p> <p>Concerns were expressed about the inclusion of operational items and the risk that the business plan could become a list of operational items, rather than a reflection of strategic outcomes.</p>
There was support for, and concerns related to, performance measures	<p>There were many suggestions and concerns related to performance measures. Although they were seen as valuable, it was recognized that it would be “challenging to obtain tangible, measurable performance goals”. Some participant comments are provided below.</p> <ul style="list-style-type: none"> • “Cut performances measures at this stage. Too hard to measure and they may not have the resources to achieve this”. • “I’m of the opinion that performance measures are critical in the process. They are consuming of resources but are really the best way of truly understanding”. • “Performance measures?? Need something to help figure out how to do this”.
Challenges in completing the template were identified.	<p>Participants identified a challenge in defining and estimating human resource requirements. Another challenge was related to the time required to complete, update and discuss the business plans. “We don't have time to put into these plans. Too busy with day-to-day operations.”</p>
Concerns related to achieving targets were identified.	<p>Concern was raised that including targets within the business plan would lead to overtime being incurred as departments strive to meet those targets “even if an activity is not properly resourced”. One participant expressed the concern as “We create our own problem, because we want to get it done, even though we don't have the resources.” One other significant concern was that “if it (plan development) is perceived as extra work it will not be embraced”.</p>

Many suggestions were made to improve the business plan template. Some concerns and challenges related to the business plan template were also identified. The focus group discussion centred on the inclusion of operational items and performance measures.

4.3.3 General Focus Group Comments

To close the focus group, participants were asked to respond to the questions listed below:

- The draft strategic plan implementation process and resulting business plan is intended to allow you the room you need to adapt to changing circumstances through the year. To what extent do the draft process and template achieve this?
- The draft strategic plan implementation process is intended to improve the coordination between the strategic plan, the business plan and the budgeting processes. To what extent do the draft process and template achieve this?

There was agreement that the process and template allowed room to adapt to changing circumstances and improved coordination, as evidenced by the following participant comments:

- “If we're faithful to the process, this process should improve the plan/budget relationship.”
- “This is a good step in the right direction.”
- “Working with other departments – in developing plans – will help in achieving the plans.”
- “Good – things that have gone forward, and things that haven't – what is the impact, in terms of who is available to do work, who can support it?”
- “Flexible to add and delete priorities as required.”

The focus group discussion also included suggestions and concerns of a general nature. The themes emerging from these comments are presented in Table 12.

Table 12: Themes emerging from general comments in the focus groups

Theme	Findings
<p>There were suggestions for improving the ability to adapt to changing circumstances.</p>	<p>Suggestions include the integration of the business plan and budgeting processes, emphasizing the impact of supporting activities, adding activities, and partial funding of activities. There were several comments on the need to consider the process and template as cultural shifts in the organization. These ideas are represented by the participant comments below.</p> <p>Challenges:</p> <ul style="list-style-type: none"> • “Change is an issue. Training is required. Need samples/examples of filled in BP [business plan] template.” <p>Flexibility:</p> <ul style="list-style-type: none"> • “People need to understand that this is a changing document. Need to emphasize this. Upper management needs to recognize, acknowledge this. It is about the culture, not necessarily the form.” <p>Format:</p> <ul style="list-style-type: none"> • “A quick glance visual representation.” <p>Linking among plans:</p> <ul style="list-style-type: none"> • “Integrate business plan schedule into budget schedule.” • “Like to see the budget and SP [strategic plan] implementation process on same sheet w/detailed dates.” • “Timing and communication of when these processes are completed is what will allow the coordination of the strategic, business and budget.” <p>Processes for review</p> <ul style="list-style-type: none"> • “Need acknowledgement that 1/2 resource or budget means some

	<p>projects not achievable; added work reduces ability to achieve on set work.”</p> <ul style="list-style-type: none"> • “Maybe instructions under “added” that “existing” to be reviewed with each new “add”.” • “Business plan review; formal 2 day workshop to discuss projects; clearly establish project lead, supports, related budget impact, priority.”
There were concerns related to connections with the budget.	<p>Participants expressed concerns related to the connection of the business plan to the budget. These ideas are represented by the participant comments below.</p> <ul style="list-style-type: none"> • “From budget perspective, doesn't allow for reallocation of budget if one project (goal) is over/under allowable to use that money with another projects.” • “In a way, there is flexibility to adapt as circumstances change, but it all hinges on the approved operational budget or pool of money.”
There were concerns related to organization support, management and reporting.	<p>Participants expressed concerns related to the connection of the level of support within the organization, the use of the business plan as a management tool and reporting on the business plan. These ideas are represented by the participant comments below.</p> <ul style="list-style-type: none"> • “It will be the organization support and decision makers that will be key to meeting the intended result.” • “I don't think the plans are seriously implemented or efficiently used as management tools.” • “Reporting and reviewing – something we currently don't do really well.”
Other concerns were identified.	<p>Participants expressed concerns related to the different time frame represented in the business plan and strategic plan. There was also concern that there would be significant changes to the strategic plan each time there was a new council.</p>

The focus group discussions were generally positive. Support was expressed for many aspects of the strategic plan implementation process and the use of a business plan template. Many suggestions for improvement were made, indicating that participants were engaged and may be eager for a successful implementation. There were also many concerns expressed which should be addressed prior to the implementation of a revised strategic plan implementation process and business plan template.

4.4 Summary of Findings

For CAOs from other municipalities, a vision is generally seen as valuable, as are performance measures; however, many of the municipalities struggle with the actual use of performance measures. Each of the municipalities prioritizes activities in different ways. The municipalities also plan the implementation of the activities in different ways.

Overall, the findings reveal that directors and managers in the City of Lacombe would like to have a strategic plan that is visionary and far reaching. They find that the existing business plans and the process to develop them do not add significant value, even though some identified that they actually use the business plans on a regular basis. The issue of day-to-day activities taking precedence over strategic activities was identified as a significant issue.

During focus groups, the directors and managers in the City of Lacombe provided feedback on a draft template and process to develop business plans. The idea of a collaborative approach to developing and prioritizing activities across area business plans was strongly supported. The inclusion of operational items in the business plan received strongest support from areas that work primarily on operational items, and the greatest criticism from areas with fewer operational items.

5.0 Discussion and Analysis

In this section, the connections among the primary and secondary data collection are discussed to develop a draft strategic plan implementation process and an associated template for use by the City of Lacombe. The discussion presents the rationale for the steps in the process and the elements in the template.

For the City of Lacombe the template is referred to as a business plan template, and one is developed for each department in the organization. Directors and managers at the City of Lacombe had the opportunity to review and discuss a draft strategic plan implementation process and draft business plan template during their focus groups.

5.1 The Strategic Plan Implementation Process

The proposed strategic plan implementation process is presented in Figure 2 below. This process was originally presented to participants in a linear, tabular format, with explanations and time lines for each of the steps, but is presented graphically here. The tabular format, with text updated to reflect the findings of the focus group, is presented in Appendix 9 – Strategic Plan Implementation Process – Table Format Draft 2. The required flexibility and iterative nature of strategic plan implementation, identified in the literature review, is reflected in the graphical presentation of the process. This graphical presentation is one of the deliverables for the clients.

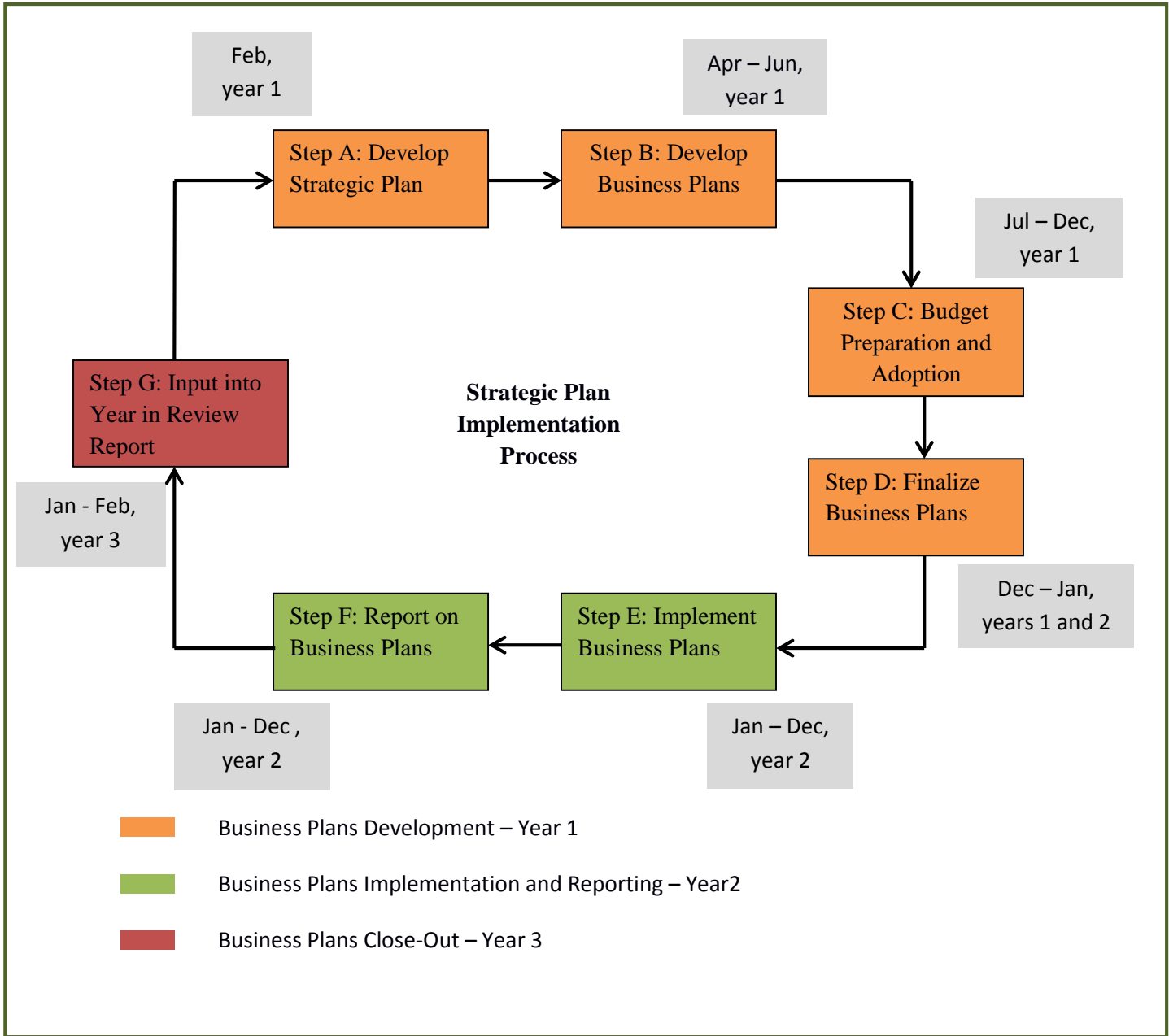


Figure 2: Strategic Plan Implementation Process

Step A – Develop Strategic Plan is designed to emphasize that the strategic plan being implemented is a document that is owned by council. This is included to emphasize the complexity of strategic plan implementation in the public sector, where a significant amount of decision making is political in nature. The description of this step includes reference to other council approved plans, such as master plans.

Step B – Develop Business Plans consists of four sub steps that develop business plans from the early stage of identifying possible activities, to identifying linkages with the budget, other areas, and required resources, through several iterations. Step B and its sub steps are presented in Figure 3, below.

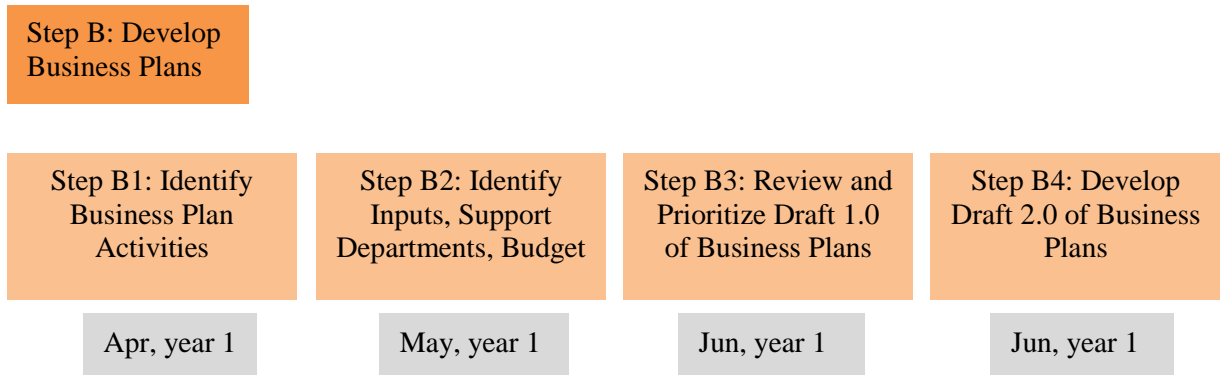


Figure 3: Step B – Develop Business Plans

Step B1 - Identify Business Plan Activities is included to encourage looking at potential activities for the business plan as mechanisms for achieving strategic goals. This promotes thinking about the possibility that there could be more than one activity that would move the organization towards its strategic goals. The step addresses the desire for administration to identify how higher level objectives are to be met. It encourages the distinction between activities, referred to in the literature review as strategies, being specific and measurable actions that will be undertaken to achieve the vision and goals, and the vision and goals themselves, which should be high level.

Step B2 – Identify Inputs, Support Departments, Budget is intended to clearly establish the resource requirements for each activity to be completed as envisioned, without the restrictions of the budget. This has the budget supporting the business plan, rather than the other way around while still linking the business plan activities to the budget for successful implementation. The focus on inputs allows for planning across the organization in terms of human resource, fiscal and time requirements, and may also help to identify areas of potential collaboration.

Step B3 – Review and Prioritize Draft 1.0 of Business Plans is designed to promote a discussion of activities between managers and directors, early in the process. This facilitates correctly identifying all of the required support for activities, and opportunities for collaboration. Collaboration and alignment across the organization is one of the factors influencing successful implementation.

All activities will need to support the strategic goals of the strategic plan. In addition, the CAO will need to be able to provide a rationale for prioritizing some activities over others, especially when input is provided to the budget process.

Managers and directors involved in a conversation about the highest priorities for the organization for the year, will better understand the rationale for decisions that are made, have a greater understanding of the organization's priorities and will be able to share this with their staff. Activities are prioritized as:

- 'must do' activities, that are of the highest strategic importance;
- 'usually do', or operational, activities that it is reasonable to think that council and citizens will expect in the future;
- 'nice to do' activities are of a lower strategic importance and;
- 'not now' activities when the activity will impede the progress on another outcome, or where the activity could be more efficiently or effectively completed at a different time.

The final decision on priorities rests with senior management.

Step B4 – Develop Draft 2.0 of Business Plans involves a redrafting of the business plans to reflect the prioritization decisions to become an accurate representation of what administration recommends that council should fund for the upcoming year.

Step C: Budget Preparation and Adoption consists of two sub steps that strengthen the linkages between the business plans and the budget. Step C and its sub steps are presented in Figure 4, below.

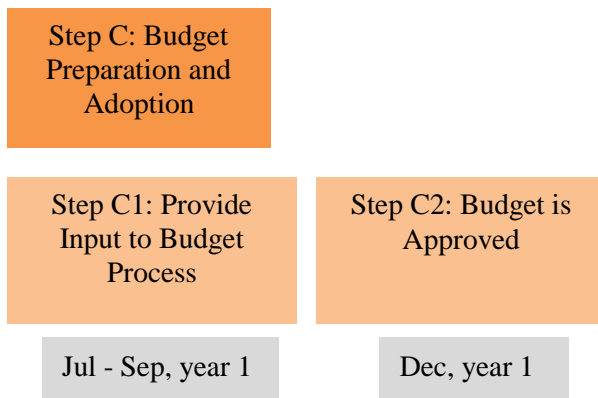


Figure 4: Step C – Budget Preparation and Adoption

Step C1 – Provide Input to Budget Process provides an opportunity for the activities in the prioritized business plans to be considered in the budgeting process. The connection between budget and business plan activities is important for successful implementation. Having prioritized activities developed first enables the implications of budget decisions on activities to be considered on an organization-wide basis, rather than in silos.

Step C2 – Budget is approved is a point in time event when the budget receives approval.

Step D – Finalize Business Plans consists of three sub steps which together ensure that the business plans inform budget decisions, and that the ultimate budget decisions are reflecting the final business plans. This step also includes an opportunity for Directors and Managers to review the business plans to ensure that there is alignment between activities in different areas. Step D and its sub steps are presented in Figure 5, below.

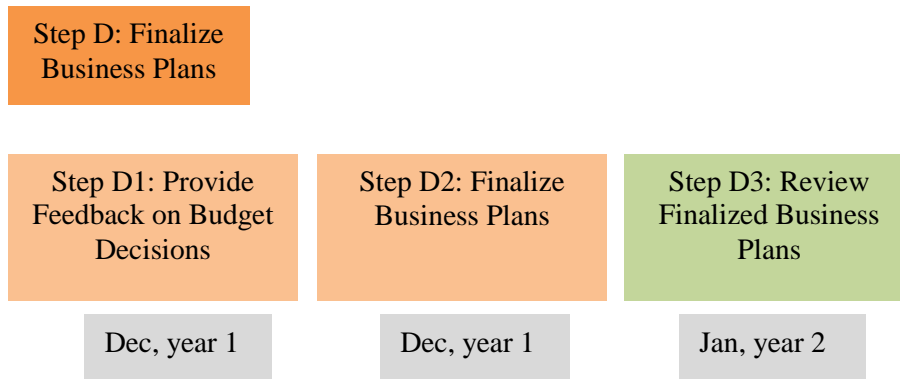


Figure 5: Step D – Finalize Business Plans

Step D1 – Provide Feedback on Budget Decisions allows for a greater understanding of why budget decisions were made. This understanding helps administration understand council’s direction and priorities, and provides input into the development of the business plan for the next year.

In **Step D2 – Finalize Business Plans**, the estimated inputs, especially draft full time equivalent (FTE) staff and budget, are replaced by the approved FTE's and budget to ensure that the final business plans that will be reported to council reflect the budget decisions of council. Changes could include a revised scope for an activity if there is partial funding, or identifying an activity as not being funded at all.

Step D3 – Review Finalized Business Plans is a discussion for administration to ensure that everyone has a clear understanding of the activities for the year. The discussion could include the implications of the final business plans on the activities for the year. Ideally, finalized business plans will be available to internal staff, on an ongoing basis.

Business plans are revisited at five sub steps in the process (B1, B3, B4, D2, D3). Revisiting steps involves a reconsideration of the business plan that has been developed to that point. This brings more attention to the business plans as a tool to ensure that strategic plan goals are met, and increases the perception that business plans are valued by senior management.

Step E – Implement Business Plans is the work of the organization throughout the year.

Step F – Report on Business Plans consists of two sub steps that allow for reporting on the business plan to occur informally with greater frequency and also more formally, but with less

frequency. Because the business plan includes direct reference to the strategic plan, reporting on the business plan both formally and informally improves the connection of the business plan to the strategic plan. Tying monthly and quarterly reporting to the business plan helps to ensure that the business plan is not viewed as an “extra” requirement that serves little or no value. Step F and its sub steps are presented in Figure 6, below.

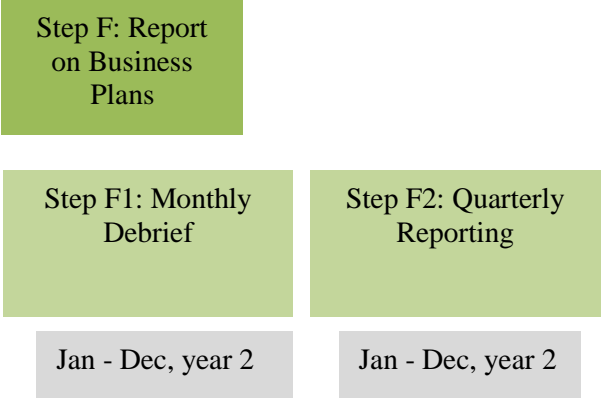


Figure 6: Step F – Report on Business Plans

Step F1 – Monthly Debrief provides an opportunity for directors and managers to keep the goals and outcomes of the strategic plan in the forefront as they make decisions throughout the year, especially in terms of potential changes to the activities that have been approved.

Step F2 – Quarterly Reporting provides council an update of progress on targets, and upcoming activities. Since the reporting is aligned with the strategic plan, there does not need to be an additional reporting piece on either the business plan, or the strategic plan. To improve efficiency in reporting this reporting can be rolled up into the Year in Review report. This reporting also makes the business plan more relevant throughout the year.

It is important to note that a business plan will be developed in the year prior to it being implemented, and that the final reporting on the business plan, or close out, will occur in the year after it is implemented. Thus there will be three business plans under consideration at any given time. This is demonstrated in Table 13 below.

Table 13: Simultaneous work on multiple business plans

Stage / Year	2016	2017	2018	2019
Develop	2017 Business Plan	2018 Business Plan	2019 Business Plan	2020 Business Plan
Implement	2016 Business Plan	2017 Business Plan	2018 Business Plan	2019 Business Plan
Close-out	2015 Business Plan	2016 Business Plan	2017 Business Plan	2018 Business Plan

5.2 The Business Plan Template

The proposed business plan template is presented in Figure 7 below. This template was first presented to participants as a single table with ten columns (see Appendix 8), with brief descriptions of each of the headings. The template was revised based on the focus group findings and is one of the deliverables for the clients. To create a business plan the table below is completed for each activity.

Type of Activity: [Strategic, Operational, Support, Added]		Prioritization: [Must Do, Usually Do, Nice to Do, Not Now]	
Activity: [Activities are given a number and a name. The number allows for connections with departments providing support. This section includes a brief description of the activity and references to other council approved documents, such as Master Plans.]		Outcome: [Every activity must be linked to the strategic plan and should provide a direct reference to the strategic plan. Activities should contribute to the strategic goals of the organization. This is what the organization gains by pursuing the activity.]	
Inputs: [These are the resources, people and time required for successful completion of the activity as described above.]		Budget: [These are the financial resources required for successful completion of the activity as described above.]	
Support Departments: [All departments who will contribute resources, people, time or budget to the activity should be listed.]		Time line:	
		Risks: [This could be linked to an enterprise risk management.]	
Outputs: [These are the deliverables or tangible products, of the activity.]	Performance Measures: [Key indicators that can be measured and are related to performance, rather than effort.]	Targets: [The quarterly goals for the results of the key indicators used in the performance measures. If targets are not met, a brief explanation should be provided.]	Status:

Figure 7: Business Plan Template – Draft 2.0

The fields to be completed in the template are based on the elements of a logic model. A logic model typically represents the structure of a program and describes the cause and effect linkages between resources, activities and results (McDavid, Huse & Hawthorn. 2013. p. 47). The activity is named and the required inputs and supporting departments are clearly identified. The outcome field provides a clear link to the strategic plan goals and emphasizes that the strategic plan is the

driver for the business plan activities. This could be expanded to include short, medium and long term outcomes.

Outputs, performance measures and targets are grouped together so that once the business plan activities are finalized only the reporting section of the template needs to be updated.

The activities in the business plan are broken into four categories.

- Strategic,
- Operational,
- Support; and
- Added.

Strategic activities have the most direct link to the goals of the strategic plan. Operational activities must support the strategic goals of the strategic plan. This connection is explicit in the outcomes column. Support activities clearly indicate when one department is identified as support to another department in their strategic or operational section. There will be no activities in the support section that are not also in another department's strategic or operational section. The section on added activities is included to highlight changes to prioritized activities that may occur throughout the year. This assists with the coordination of activities among departments by ensuring that changes are clearly identified. This also highlights that as activities are added, there may be a need to revisit the existing activities in the business plans.

There are significant challenges when ongoing or operational work is not represented in the business plan. Examples of this operational work include maintaining an internal website, managing media relations, weed control and hiring staff. These challenges are related to the areas listed below.

- Time constraints for getting other work done,
- Morale for staff 'seeing themselves' in the business plans,
- The possibility of council underestimating the cost of operational items; and
- Adding additional projects.

In a smaller municipality, a significant proportion of budget and people resources is devoted to operational items. To exclude these items from a business plan runs the risk of misrepresenting the activities that are undertaken by administration. In the prioritization process, operational activities are identified as "usually do" activities that it is reasonable to think that council and citizens will expect in the future.

There is a significant risk in identifying operational items in the business plan. Just because something has always been done, does not mean that it should continue to be done. A significant part of strategic planning is determining whether what was done in the past, should continue in the future. Put another way, a strategic plan is not just about 'what else should we do', it is also about 'what should we stop doing'. One premise of this research project is that activities that are operational in a large municipality may be strategic in a small municipality. If that is true, then it makes sense that the "rules" around not including

operational items in a business plan may not apply universally. Furthermore, no such rule actually exists, so if there is a reason to include operational items, then they should be included.

6.0 Recommendations

This section provides recommendations for the secondary client that pertain to the strategic plan implementation process. Recommendations on the strategic plan implementation process, the focus of the research, include an in-depth discussion of the rationale for the recommendations. Additional recommendations are provided for the primary client that focus on the strategic plan itself.

Explicit options were not developed for the clients. Instead, after the CAO and city staff interviews the clients reviewed the draft strategic plan implementation process and business plan template to provide input and feedback. The draft process and template were modified based on the client input prior to focus groups with the city staff.

6.1 Recommendations for Strategic Plan Implementation: CAO Client

Recommendations are provided for specific elements of the proposed strategic plan implementation process and template.

Recommendation 1: Include operational and support activities as part of the business plan.

Two key findings of the group one interviews were the sense that many managers did not see their work reflected in the strategic plan and that their work was negatively impacted by the poorly coordinated need for support of strategic activities.

A key finding of the literature review was the need for strategic goals to cascade through the organization and to recognize the relationship among departments and strategy levels. By including operational items at a high level and connecting them to strategic goals, it is possible to validate the work of many areas of the organization and improve the coordination and integration of all activities and resources across the departments.

There was considerable concern at the senior management level about the inclusion of operational activities. If the client chooses to implement this aspect of the business plan template, care must be taken that the operational activities remain at a high level, connected to strategic goals, and do not become a list of work plan items to be completed.

The point of including an operational section is not to list all operational activities, but to acknowledge two things: first, the impact of operational items on time lines, human resources and budget; second, the strategic importance of operational items on achieving the vision and mission of a small municipality.

Recommendation 2: Retain information on activities that are not funded.

A key finding of the literature review was the importance of aligning elements such as feedback and adjustments to the implementation plan, across the organization. This is consistent with the

findings from the group one interviews that improved linkages between the business plans and the budget would be valuable. Retaining the information on activities that were identified by departments, and prioritized, but eventually not funded, or only partially funded, provides a mechanism for capturing the work that was already completed, tracking which activities are funded, and providing feedback to directors, managers and staff. This emphasizes the approved budget and resources while still capturing what has not been approved, in whole or in part.

Recommendation 3: Involve staff who are below the level of managers, in the development of business plans.

Findings from the literature review include the need for communication to, and buy-in from, all levels of the organization, as a factor in successful implementation. Findings from group one interviews indicate that less than half of the managers and directors currently involve staff in the development of business plans.

Increasing the involvement of staff, especially in the early stages of developing the business plans, and then involving them in the discussion after business plans have been finalized, is intended to increase staff buy-in and the likelihood of successful implementation.

Recommendation 4: Plan for a staged implementation of the proposed strategic plan implementation process.

The proposed strategic plan implementation process requires changes from the current process. To ease the challenges of transition and to make it less overwhelming, it is recommended that the proposed process be implemented in stages, coordinated to align with changing provincial requirements in regards to multi-year budgets. The stages presented in Table 14 are recommended.

Table 14: Stages for Implementation of Proposed Strategic Plan

Year*	Business plan and Strategic Plan	Elements included
2016	Single year department business plans created based on council's strategic plan.	Add: Activities, inputs, supporting departments, outcomes, budget, outputs, targets for outputs
2017	Single year business plans in place. Developing multi-year business plan begins.	Add: draft performance measures and draft targets for performance measures
2018	3-year business plans in place. New four year strategic plan is adopted by council to coincide with the 2017-2021 council electoral term.	Add: Performance measures and targets for performance measures
2019	Rolling three year business plans.	Add: Annual reporting on each business

	Rolling four year strategic plans.	and strategic plan.
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*Year mirrors the municipal fiscal year of January 1 – December 31.

6.2 General Recommendations: Primary Client

Recommendation 5: Use the strategic plan and business plans as tools for reminding council of their strategic goals.

A key finding from the group two interviews was the potential for a CAO to use a council's strategic plan to maintain council's accountability to the goals they had set out and to justify budget decisions. The CAO can remind council of their priorities as identified by the goals of the strategic plan, rather than directing the administration to re-prioritize based on public input that may not align with the goals. The CAO in a group two municipality described it this way:

Our council owns this [strategic plan]. They will communicate it and defend it to the death. They want it done. This council document needs to be able to answer ‘why are we doing this’?

Another finding from the group two interviews was the potential to use the business plans as an accountability mechanism from administration back to council, to help hold council to earlier decisions. The CAO in a group two municipality described it as “The business plan allows CAOs to hold up the mirror to council and say ‘we can’t do all of it – what is coming off?’”

Recommendation 6: The strategic plan should roll forward each year.

Findings from the literature review include the need for a strategic plan to be flexible in order to accommodate changes in the environment and the organization. Although it is unlikely that the vision and mission of a council will change significantly during its' term, by updating the three-year strategic plan each year, to look another year ahead, it is intended that the council will be better able to build on strengths, address weaknesses, take advantage of opportunities, and mitigate challenges.

Recommendation 7: The strategic plan should include 5-8 high level performance measures

Findings from the literature review highlight the need for the strategic plan to be a high level, visionary document. This is supported by findings from the group one interviews. Including a limited number of high level performance measures will assist council with maintaining a higher level perspective on the strategic goals, leaving the details of the implementation to administration. An example of a high level performance measure is “increased resident satisfaction with the amount and type of green space in the city”. Linkages between the outcomes and the inputs and outputs can be used to assist in developing performance measures.

7.0 Conclusion

The purpose of this report was to develop a strategic plan implementation process for use in smaller municipalities. This included a needs assessment of a smaller municipality, interviews with CAOs of small municipalities and a review of the existing literature on strategic planning, especially in the public sector. The objective was to improve and enhance reporting and performance measurement for the CAO to report back to council. At the same time, there was a desire to add value for the managers tasked with creating, using and reporting on business plans.

The findings from the literature review, interviews and focus groups emphasize the complexity of decision making in the public sector, the need for a clear vision and the specific challenges of smaller municipalities. These challenges relate especially to the limited resources available and the impact of operational activities. The findings informed the seven recommendations, related to strategic plan implementation and general recommendations related to the strategic plan itself.

Currently there is limited research on the implementation of strategic plans in smaller municipalities. There are two areas where further research could be conducted. One area is the use of logic models to develop performance measures by making connections between inputs and outcomes. A second area is the approach to staged implementation of rolling strategic plans and multi-year, rolling business plans.

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9.0 Appendices

Appendix 1 – Existing Business Plan Template

Note: The business plan template is in landscape orientation, but has been changed to portrait orientation for presentation in this report.

CITY OF LACOMBE <input type="checkbox"/> Department BUSINESS PLAN [year]
Business Unit MANAGER [name]
BUSINESS UNIT RESPONSIBILITIES: []
LINK TO COUNCIL'S STRATEGIC PLAN
Strategic Pillar 1. Safe, Healthy and Vibrant Community
Strategic Pillar 2. Land Resources and Acquisitions
Strategic Pillar 3. Operations: Infrastructure Growth and Asset Management
Strategic Pillar 4. Economic Prosperity
Strategic Pillar 5. Operational Excellence
Strategic Pillar 6. Operations: Community Relations
BUSINESS UNIT GOALS (Please identify between 5 and 10 goals that are measurable and realistic)
Goal 1. []
Background: []
Timeline: []
Desired Outcomes: []
Strategic Actions: [identify strategic pillar]
[]

Appendix 2 – CAO – Group 2, Participant Consent Forms



Participant Consent Form

Strategic Plan Implementation Process

You are invited to participate in a study entitled **Strategic Plan Implementation Process** that is being conducted by Jennifer Dolecki

Jennifer Dolecki is a graduate student in the department of Public Administration at the University of Victoria and you may contact her if you have further questions by emailing jdolecki@uvic.ca.

As a graduate student, Jennifer is required to conduct research as part of the requirements for a degree in Masters of Public Administration. It is being conducted under the supervision of Kim Speers. You may contact my supervisor at 250-721-8057.

Purpose and Objectives

The purpose of this research project is to develop a strategic plan implementation process that can be used by smaller communities. The process will be adaptable to communities with different requirements and objectives for their strategic plans. The City of Lacombe will be a case study in that the researcher will develop a template and process for use by city employees to develop their 2016 business plans.

Main research question:

What is the most effective process for implementing a strategic plan in small Alberta communities?

Importance of this Research

Research of this type is important because it provides an important foundation for developing a tool to support communities in implementing their strategic plans.

Participants Selection

You are being asked to participate in this study because you are a Chief Administrative Officers of a city or town in Alberta with populations from 7 000 to 15 000.

What is involved

If you consent to voluntarily participate in this research, your participation will include:

- Telephone interview. This will occur during regular business hours (20-30 minutes).

Inconvenience

Participation in this study may cause some inconvenience to you, including a time commitment of 30 minutes which will take away from your work time.

Risks

There are some potential risks to you by participating in this research and they include that you may be required to think about some of the work you do in a critical way, which could make you question the processes you currently use. Participation may also require you to work in a way that is very different from what you normally do. To prevent or to deal with these risks the following steps will be taken

- The interview questions will be provided in advance.
- All research activities will emphasize the value of learning, and trying a new process and how this does not mean that an existing process was 'bad'. You will be able to take a break at any time, if needed. You may skip any questions you wish.

Benefits

The potential benefits of your participation in this research include helping to ensure that the process developed meets the needs of communities like yours. You will be provided with the executive summary of the report which could assist in implementing strategic plans in your community.

Voluntary Participation

Your participation in this research must be completely voluntary. If you do decide to participate, you may withdraw at any time without any consequences or any explanation. If you do withdraw from the study your data will only be used if you give the researcher your consent to use any data collected to that point. If you do not provide consent your data will not be used. Electronic data will be deleted and hard copy data will be shredded.

Anonymity

In terms of protecting your anonymity the researcher will know which participants provided which responses. In the final report individual data will not be identified or associated with the individual participant.

Confidentiality

Your confidentiality, and the confidentiality of the data, will be protected by ensuring that notes from the interviews will be summarized and not include identifying information. None of the specific community names will be used so the specific CAO cannot be identified. The communities will be referred to as A, B, C, etc. and only the population of the community will be provided. All data will be shared with the supervisor from the University of Victoria.

Dissemination of Results

It is anticipated that the results of this study will be shared with others in the following ways

- Masters project defense.
- Copies of the report will be provided to both clients for the project. The primary client is Ian McCormack, President of Strategic Steps Inc. The secondary client is Norma MacQuarrie, Chief Administrative Officer for the city of Lacombe.
- The executive summary of the report will be provided to you.

Disposal of Data

Data from this study will be disposed of in December 2020 by deleting electronic data and shredding hard copy data. In the interim, electronic data will be stored on a password protected computer at the researcher's home. The paper based data will be stored in a locked cabinet at the researcher's home.

Contacts

Individuals that may be contacted regarding this study include

Researcher: Jennifer Dolecki, jdolecki@uvic.ca

Supervisor: Kim Speers, kspeers@uvic.ca

In addition, you may verify the ethical approval of this study, or raise any concerns you might have, by contacting the Human Research Ethics Office at the University of Victoria (250-472-4545 or ethics@uvic.ca).

Your signature below indicates that you understand the above conditions of participation in this study, that you have had the opportunity to have your questions answered by the researchers, and that you consent to participate in this research project.

Name of Participant

Signature

Date

Future Use of Data PLEASE SELECT STATEMENT:

I consent to the use of my data in future research: _____ (Participant to provide initials)

I **do not** consent to the use of my data in future research: _____ (Participant to provide initials)

I consent to be contacted in the event my data is requested for future research: _____ (Participant to provide initials)

A copy of this consent will be left with you, and a copy will be taken by the researcher.

Appendix 3 - Interview Questions – Group 2

Group 2, CAOs – Interview Questions

1. Does your community have a strategic plan? If so, how long has it been in place? Is it publicly available?
2. How is the strategic plan developed? Who provides input to the strategic plan?
3. Who uses the strategic plan and for what purposes?
4. What elements does the strategic plan include? e.g. vision, mission, strategic issues, strategic goals, performance measures, strategic outcomes, strategies, activities, etc.
5. If the strategic plan includes activities, how are the activities in the strategic plan prioritized? Are there defined responsibilities for each of the activities? Are there specific roles or positions responsible for implementing each activity?
6. Does your community have a plan to implement the strategic plan? What is the name for it? e.g. business plan
7. Who develops the implementation plan? Who provides input to the implementation plan? How is the implementation plan developed?
8. What elements does the implementation plan include? e.g. outcomes, outputs, performance measures, responsibility, accountability, etc.
9. Is the implementation plan connected to the strategic plan? Is the implementation plan connected to any other plans, such as capital plan, municipal sustainability plan?
10. Is the implementation plan connected to the budget?
11. Do you have a template for the implementation plan?
12. Who checks on the progress of the implementation plan? i.e., Where is the accountability? Is it to council? Who is responsible for providing the report on performance?
13. Is there a communication plan associated with the implementation plan? Is it an internal or external plan or both? How is the communication plan developed?
14. Does the communication plan include consideration of internal stakeholders or external stakeholders?
15. Is there other information would you like to add or that you think is relevant?

Appendix 4 – City of Lacombe Directors and Managers – Group 1, Participant Consent Forms



Participant Consent Form

Strategic Plan Implementation Process

You are invited to participate in a study entitled **Strategic Plan Implementation Process** that is being conducted by Jennifer Dolecki.

Jennifer Dolecki is a graduate student in the department of Public Administration at the University of Victoria and you may contact her if you have further questions by emailing jdolecki@uvic.ca.

As a graduate student, Jennifer is required to conduct research as part of the requirements for a degree in Masters of Public Administration. It is being conducted under the supervision of Kim Speers. You may contact my supervisor at 250-721-8057.

Purpose and Objectives

The purpose of this research project is to develop a strategic plan implementation process that can be used by smaller communities, population 7500 – 15,000. The process will be adaptable to communities with different requirements and objectives for their strategic plans. The City of Lacombe will be a case study in that the researcher will develop a template and process for use by city employees to develop their 2016 business plans.

Main research question:

What is the most effective process for implementing a strategic plan in small Alberta communities?

Importance of this Research

Research of this type is important because it provides a foundation for developing a tool to support communities in implementing their strategic plans.

Participants Selection

You are being asked to participate in this study because in your role with the City of Lacombe you have responsibility for creating an annual Business Plan for your area.

What is involved

If you consent to voluntarily participate in this research, your participation will include:

- In person or telephone interviews where notes will be taken. This will occur in your office in Lacombe (30-45 minutes). This interview may be conducted in person, or over the phone.
- A focus group with subsets of other staff from the city. Subsets will be determined based on availability of participants. Notes will be taken. This will occur in City of Lacombe offices (half a day). The focus group will be conducted in person.

Inconvenience

Participation in this study may cause some inconvenience to you, including a time commitment of several hours which will take away from your other work.

Risks

There are some potential risks to you by participating in this research and they include that you may be required to think about some of the work you do in a critical way, which could make you feel uncomfortable or unsure of yourself in these areas. Participation may also require you to work in a way that is very different from what you normally do. To prevent or to deal with these risks the following steps will be taken

- The interview and focus group questions will be provided in advance. You are able to skip any questions you chose.
- Because of the small number of participants, it may be possible for comments to be attributed to individuals. The clients are aware of the importance of voluntary participation and the value of honest responses, and have assured the researcher that there will be no negative repercussions (such as loss of reputation, risks to employment, stress or stigmatization, etc.) as a result of any comments made in the individual interviews or focus groups.
- Each interviewee will also have the opportunity to not respond to any of the questions and can withdraw from the study during the interview process at any point in time without any negative repercussions
- At the start of the focus groups participants will be asked to keep the information discussed private. Participants will be told that since privacy cannot be guaranteed, they should not share any information they wish to keep private.
- All research activities will emphasize the value of learning, and trying a new process and how this does not mean that an existing process was 'bad'. You will be able to take a break at any time, if needed.

Benefits

The potential benefits of your participation in this research include helping to ensure that the process developed meets your needs, and that areas for improvement can be identified.

Voluntary Participation

Your participation in this research must be completely voluntary. If you do decide to participate, you may withdraw at any time without any consequences or any explanation. If you do withdraw from the study your data will only be used if you give the researcher your consent to use any data collected to that point. If you do not provide consent your data will not be used. Electronic data will be deleted and hard copy data will be shredded. If you withdraw during or after the focus group, the researcher will request consent to use any data collected to that point. If consent is not given to use the data, every effort will be made to remove the data that can be attributed to you. Electronic data will be deleted and hard copy data will be shredded. It may not be possible to remove all of the data gathered from an

individual during a focus group, but any remaining data will be in summarized form with no identifying information.

On-going Consent

To make sure that you continue to consent to participate in this research, the researcher will request that the initial consent form be initialed at the start of the focus group.

Anonymity

In terms of protecting your anonymity the researcher will know which participants provided which responses. This information will be shared with the researchers supervisor at the University of Victoria. In the final report individual data will not be identified or associated with the individual participant. However, given the small sample size of people with responsibility for developing business plans in the city of Lacombe, it is possible that comments could be attributed to an individual. During the focus group all participants will be aware of the comments of others. Comments will not be attributed to individuals, but given the small sample size, it is possible that others could determine which individuals made which comments.

Confidentiality

Your confidentiality and the confidentiality of the data will be protected by ensuring that notes from the interviews will be summarized and will not include identifying information. Given the small sample size of people with responsibility for developing business plans in the city of Lacombe, it is possible that comments could be attributed to an individual. It will not be possible to ensure confidentiality in the focus group, as all participants will know each other. All data will be shared with the supervisor from the University of Victoria.

Dissemination of Results

It is anticipated that the results of this study will be shared with others in the following ways

- Masters project defense
- Copies of the report will be provided to both clients for the project. The primary client is Ian McCormack, President of Strategic Steps Inc. The secondary client is Norma MacQuarrie, Chief Administrative Officer for the city of Lacombe.
- The executive summary of the report will be provided to other participants. These are Chief Administrative Officers from five to ten other communities in Alberta.

Disposal of Data

Data from this study will be disposed of in December 2020 by deleting electronic data and shredding hard copy data. In the interim, electronic data will be stored on a password protected computer at the researcher's home. The paper based data will be stored in a locked cabinet at the researcher's home.

Contacts

Individuals that may be contacted regarding this study include

Researcher: Jennifer Dolecki, jdolecki@uvic.ca

Supervisor: Kim Speers, kspeers@uvic.ca

Appendix 5 - Interview Questions – Group 1

Group 1, City Employees – Interview Questions

1. What are the most useful parts of the strategic plan? What additional information would you like in the strategic plan?
2. What would you like to see changed about how the strategic plan is implemented?
3. What would you like to see changed about how business plans are developed?
4. Are the measures in the strategic plan useful?
5. Do you use the measures in the strategic plan to help develop your business plan?
6. What is the easiest part of the existing business plan template to complete? What is the hardest part to complete?
7. What information do you use to complete your business plan? Is there other information you would like to have access to?
8. How is your business plan and the development of your business plan tied to the budget process?
9. Do you see an opportunity to better link the strategic planning process with business plan development and budget process? If yes, how do you envision a better linkage?
10. What steps do you follow to complete the business plan template?
11. What parts of the business plan do you refer to throughout the year?
12. How does the business plan influence your day-to-day work?
13. Do you report on the business plan on a regular basis during the year? Do you provide an annual report on the business plan? What does this reporting look like?
14. Do you report on other things, besides the business plan? Are there elements of that reporting that would be useful to you in the business plan?
15. Do you coordinate completing your business plan with the other directors and managers? If so, how do you do that?
16. What influences do the other business plans have on your business plan?
17. What information would you like to add to the existing business plan template?
18. What would make the business plan template more useful to you?
19. What is the greatest strength of the process for developing the business plan?
20. What is the greatest strength of the business plan template?
21. What are the greatest weaknesses or flaws of the process for developing the business plan?
22. What are the greatest weaknesses or flaws of the business plan template?
23. Is there other information would you like to add or that you think is relevant?

Appendix 6: Focus Group Questions

Group 1, City Employees – Focus Group Questions

Strategic Plan Implementation Process

1. Which part(s) of the process do you think will be the most challenging? What are your ideas for addressing those challenges, or tools or resources that could be useful?
2. What would you like to change about the draft strategic plan implementation process?
3. One year from now, how will you be able to tell whether you have been successful in implementing the business plan?

Business Plan Template

4. How will this draft template of the business plan aid or hinder your work once it is implemented?
5. What would you like to change about the draft business plan template?

General

6. The draft strategic plan implementation process and resulting business plan is intended to allow you the room you need to adapt to changing circumstances through the year. To what extent do the draft process and template achieve this?
7. The draft strategic plan implementation process is intended to improve the coordination between the strategic plan, the business plan and the budgeting processes. To what extent do the draft process and template achieve this?
8. Is there other information you would like to add or that you think is relevant?

Appendix 7 - Strategic Plan Implementation Process – Table Format Draft 1, used in Focus Groups

Note: Process was presented in landscape format for focus groups.

Draft Strategic Plan Implementation Process – Draft 1.0

Process Step	Explanation	Time lines
<p>A: Strategic plan is developed. Item O provides input to strategic plan development.</p>	<p>This is a council document. Administration ideally provides input into this document. It should be revised, not just reviewed every year, to create a rolling strategic plan. Consideration should be given to Master Plans that have already been approved by council</p>	<p>February – year 1</p>
<p>B: Identify business plan activities to support the strategic plan. If the strategic plan is low level, then these activities will be identified in the strategic plan. If the strategic plan is high level, the department will need to work to identify activities to support strategic outcomes. Items L, M, N, O provide information for development of the business plans.</p>	<p>Look at business plan from previous year(s). Look at feedback from item H, to critique the activities being suggested.</p>	<p>April – year 1</p>
<p>C: Identify inputs, including estimated budget and FTEs for the lead department.</p>	<p>This focus on inputs allows for planning across the organization in terms of human resource and fiscal requirements. It may also help to identify areas of potential collaboration. This is already happening to some extent, but by formalizing this step, it</p>	<p>May – year 1</p>

	<p>broadens the scope of opportunity. If new positions are requested, make use of the existing new position request form.</p>	
<p>D: Managers and directors review draft business plans together to ensure:</p> <ul style="list-style-type: none"> • Single department is responsible for each activity. No repetition. • Nothing from the strategic plan is missing in the business plans • All supports are identified • Priorities are identified. Directors and CAO need priorities with a rationale. <ol style="list-style-type: none"> 1. Must do 2. Usually do (operational) 3. Nice to do 4. Not now <p>These ratings are incorporated into the business plan.</p>	<p>There was considerable input that required supports were not always sufficiently estimated, leading to challenges for planning. Having managers and directors come together to discuss potential activities, it is more likely to capture all of the required supports. Again, this may lead to collaboration possibilities.</p> <p>All activities will need to support the strategic goals of the strategic plan. Beyond that, the CAO will need to be able to provide a rationale for prioritizing some activities over others, especially when input is provided to the budget process.</p> <p>If all managers and directors are involved in a conversation about the ‘highest’ priorities for the organization for the year, they will have a better understanding of the rationale for decisions that are made, and will be able to share this with their staff. The final decision on priorities rests with senior management. With the current state of the strategic plan, ‘must do’ activities are probably ‘strategic activities’ in the strategic plan.</p> <p>‘Usually do’, operational activities, are activities that it</p>	<p>June – year 1</p>

	<p>is reasonable to think that council and citizens will expect in the future. Note: there is a significant risk in identifying operational items. Just because something has always been done, does not mean that it should continue to be done. A significant part of a strategic plan is determining what has been done in the past, which the organization should no longer be doing. Put another way, a strategic plan is not just about ‘what else should we do’, it is also about ‘what should we stop doing’. ‘not now’ activities are when the activity will impede the progress on another outcome, or where the activity could be more efficiently or effectively completed at a different time.</p>	
<p>E: Draft 2.0 of business plans. Priorities supported by Senior Management.</p>	<p>This is the next version of the business plans. It is not the final business plan, but it should be an accurate representation of what administration feels should be funded for the upcoming year. This is the information that should feed into the budget process.</p>	<p>June – year 1</p>
<p>F: Provide input to budget process</p>	<p>The stronger the rationale developed in item D, the easier it is for the CAO to make the case during budget discussions.</p>	<p>July – September – year 1 (budget preparation)</p>
<p>G: Budget is approved</p>		<p>November/December – year 1 (budget adoption)</p>
<p>H: Feedback on rationale for budget decisions goes back to directors and managers for input into</p>	<p>There was input that a greater understanding of why budget decisions were made would be beneficial in parts of the</p>	<p>December – year 1 (budget feedback to staff)</p>

<p>next years' business plan development</p>	<p>organization. This understanding would assist with understanding council's direction, and priorities, and would provide input into the development of the business plan for the next year. In order to capture this information, it needs to be recorded.</p>	
<p>I: Finalize Business plans for the year. Unfunded activity outputs, performance measures and targets are updated to 'unfunded'.</p>	<p>After the budget is approved, the business plans must be revisited, to ensure that activities that are funded differently than the request in item F, are revised to reflect the available resources. This is budget and FTEs.</p>	<p>December – year 1 (budget approvals)</p>
<p>J: Managers and Directors meeting to review finalized business plans</p>	<p>This is a discussion for administration to ensure that everyone has a clear understanding of the activities for the year. The purpose is to ensure that everyone is on the same page post budget decisions. After item D, everyone knows what the ideal plan looks like, this is the opportunity to share the actual plan, as amended. This may be connected with item H, the feedback on the budget decisions. It is probably not useful to have everyone read, or present their business plans. Instead, all of the business plans should be available to everyone, on an ongoing basis, probably through a shared drive. This could be a discussion on the implications of the final business plans to the activities for the year.</p>	<p>January – year 23</p>
<p>K: Implement business</p>	<p>This is the ongoing work of</p>	<p>January – year 2</p>

plans	the year.	
L: Weekly and bi-weekly reporting at administrative level	Most people provide reporting in an informal way on a very regular basis. This step is a point form documentation of that reporting.	February – year 2
M: Semi-monthly, council debriefing with managers to include business plan updates	This debriefing is already occurring.	February – year 2
N: Quarterly reporting on performance measures and targets to CAO, council	There is currently quarterly financial reporting to council. Reporting on business plan activities will be on targets and outcomes. This serves several purposes: 1. Council can see progress on targets, and upcoming activities; 2. If this reporting is aligned with the strategic plan, then there does not need to be an additional reporting piece on either the business plan, or the strategic plan. This reporting can be rolled up into the Year in Review report; 3. It makes the business plan more relevant throughout the year. This is desirable because the business plan is directly connected to the strategic plan, and thus the strategic plan, and strategic goals, will be more prominent throughout the year.	March/June/September/December – year 2
O: Year in Review Report		January – year 3
A: Develop strategic plan. Item O provides input to strategic plan development.	Although this step suggests that a strategic plan implementation process is only reconsidered at the end of the process (and that there is an ‘end’), it is important to	February – First year of new plan

	maintain the flexibility to review and revise, as needed throughout, based on changing circumstances.	
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This is not a linear process. There can, and probably should be, iterations between some of the steps, except maybe: E, G, I.

You will need to be actively working on next year’s business plan while implementing this year’s business plan. This is complicated, because you will only be able to make estimates on the progress of activities from the current year. Multi-year business plans would simplify this significantly.

There was a significant amount of input related to the challenges of not having the operational work represented. These challenges are related to time constraints for getting other work done, morale for staff ‘seeing themselves’ in the business plans, the possibility of council underestimating the cost of operational items and adding additional projects. In a small community, a significant proportion of budget and people resources is devoted to operational items. To exclude these items from a business plan runs the risk of misrepresenting the activities that are undertaken by administration. Also, one premise of the research is that activities that are operational in a large community may be strategic in a small community. If that is true, then it makes sense that the ‘rules’ around not including operational items in a business plan may not apply. Furthermore, no such rule actually exists, so if there is a reason to include operational items, then they should be included.

Appendix 8 - Business Plan Template – Draft 1, used in Focus Groups

Note: Template was presented in landscape format for focus groups.

Activity / Activity Rating	Inputs	Inputs FTE	Inputs Estimated Budget	Outputs	Approved Budget	Approved FTEs	Performance Measures	Targets	Outcomes
<p>These are the activities identified in step B of the strategic plan implementation process.</p> <p>Strategic -city staff outside of the department -reference master plans, capital plans and other council approved documents -many projects may require other information – this can be</p>	<p>These are the resource, internal and external that are required for the successful completion of the activity.</p>	<p>- people within the department</p>	<p>-the estimated budget allows for input to the budgeting process, and for feedback to be linked directly to the business plan.</p>	<p>- include dates -use for weekly, bi-weekly, monthly reporting.</p> <p>-this can be converted to a dashboard for reporting to council.</p>	<p>- activities that do not have their budget approved should remain on the business plan</p>	<p>-this is to reflect actual staff time allocated to activities.</p>	<p>-may be dictated by policy</p>	<p>- at the beginning of the year indicate the target for each quarter -this section should be updated each quarter with results, by target. -this information will be reported to council on a quarterly basis and used for the</p>	<p>- Reference to strategic plan - reference to other master documents with outcomes -Also include a higher level strategic outcome</p>

reference d here, but not repeated.									annual report -this can be convert ed to a dashbo ard for reporti ng to council .	
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Activity / Activity Rating	In p u t s	In p u t s F T E	In p u t s E s t i m a t e d B u d g e t	Outputs	Ap p r o v e d B u d g e t	App r o v e d F T E s	Perf o r m a n c e M e a s u r e s	T a r g e t s	Outcom es
<p>Operational</p> <p>-operational items must support the strategic goals of the strategic plan. This connection is explicit in the outcomes column.</p> <p>-could include links to policy requirements</p> <p>-estimated budget may be based on previous years' budget</p> <p>-if significant changes are proposed to how operations are conducted, or to the level of operations, make it a strategic activity, to highlight for everyone that there is a change</p>				-most operational reporting is here, but the organization should be looking at moving to performance measures and targets					Operational Excellence
<p>Support</p> <p>-where a department is identified as support to another department in their strategic or</p>									

operational section. -there should be no activities here that are not also in another departments strategic or operational section (you can't support nothing)									
Added -projects, activities that are added after the Business Plan is approved -goal is for organization to get better at this over time									

*even though the business plan is intended to be 'finalized' it is important to be able to adapt as circumstances change. This can be reflected in targets that are not met or activities that are added.

Activity	Inputs	Inputs FTE	Inputs Estimated Budget	Outputs	Approved Budget	Approved FTEs	Performance Measures	Targets	Outcomes
Strategic 1. 2.									
Operational 1. 2.									
Support 1. 2.									
Added									

Appendix 9 - Strategic Plan Implementation Process – Table Format Draft 2

Strategic Plan Implementation Process – Table Format Draft 2.0

Process Step	Explanation	Timelines
A: Develop Strategic Plan	<p>This is designed to emphasize that the strategic plan being implemented is a document that is owned by council. This is included to emphasize the complexity of strategic plan implementation in the public sector, where a significant amount of decision making is political in nature. The description of this step includes reference to other council approved plans, such as master plans. Administration ideally provides input into this document.</p> <p>It should be revised, not just reviewed every year, to create a rolling strategic plan.</p> <p>Consideration should be given to Master Plans that have already been approved by council</p> <p>Steps F and G, reporting and Input into Year in Review Report provide input to strategic plan development.</p>	February, year 1
B: Develop Business Plans	This leads to the development of business plans from the early stage of identifying possible activities, to identifying linkages with the budget, other areas, and required resources, through several iterations.	April – June, year1
B1: Identify Business Plan Activities	This is included to encourage looking at potential activities for the business plan as mechanisms for achieving strategic goals. This promotes thinking about the possibility that there could be more than one activity that would move the organization towards its strategic goals. The step addresses the desire for administration to identify how higher	April, year 1

	level objectives are to be met. It encourages the distinction between activities, referred to in the literature review as strategies, being specific and measurable actions that will be undertaken to achieve the vision and goals, and the vision and goals themselves, which should be high level.	
B2: Identify Inputs, Support Departments and Budget	This is intended to clearly establish the resource requirements for each activity to be completed as envisioned, without the restrictions of the budget. This has the budget supporting the business plan, rather than the other way around while still linking the business plan activities to the budget for successful implementation. The focus on inputs allows for planning across the organization in terms of human resource, fiscal and time requirements, and may also help to identify areas of potential collaboration.	May, year 1
B3: Review and Prioritize Draft 1.0 of Business Plans Managers and directors review draft business plans together to ensure: <ul style="list-style-type: none"> • Single department is responsible for each activity. No repetition. • Nothing from the strategic plan is missing in 	<p>This is designed to promote a discussion of activities between managers and directors, early in the process. This facilitates correctly identifying all of the required support for activities, and opportunities for collaboration. Collaboration and alignment across the organization is one of the factors influencing successful implementation.</p> <p>All activities will need to support the strategic goals of the strategic plan. In addition, the CAO will need to be able to provide a rationale for prioritizing some activities over others, especially when input is provided to the budget process.</p> <p>Managers and directors involved in a conversation about the highest priorities for the organization for the year, will</p>	June, year 1

<p>the business plans</p> <ul style="list-style-type: none"> • All supports are identified • Activities are prioritized and a rationale for the prioritization is provided. 	<p>better understand the rationale for decisions that are made, have a greater understanding of the organization's priorities and will be able to share this with their staff. Activities are prioritized as</p> <ul style="list-style-type: none"> - 'must do' activities, that are of the highest strategic importance; - 'usually do', or operational, activities that it is reasonable to think that council and citizens will expect in the future: - 'nice to do' activities are of a lower strategic importance and; - 'not now' activities when the activity will impede the progress on another outcome, or where the activity could be more efficiently or effectively completed at a different time. <p>The final decision on priorities rests with senior management.</p>	
<p>B4: Draft 2.0 of business plans. Priorities supported by Senior Management.</p>	<p>This involves a redrafting of the business plans to reflect the prioritization decisions to become an accurate representation of what administration recommends that council should fund for the upcoming year. This is the information that should feed into the budget process.</p>	<p>June, year 1</p>
<p>C: Budget Preparation and Adoption</p>	<p>This strengthens the linkages between the business plans and the budget.</p>	<p>July – December, year 1</p>
<p>C1: Provide input to budget process</p>	<p>provides an opportunity for the activities in the prioritized business plans to be considered in the budgeting process. The connection between budget and business plan activities is important for successful implementation. Having prioritized activities developed first enables the implications of budget decisions on activities to be considered on an organization-wide basis, rather than in silos.</p>	<p>July – September, year 1</p>
<p>C2: Budget is</p>	<p>This is a point in time event when the</p>	<p>December, year 1</p>

approved	budget receives approval.	
D: Finalize Business Plans	This ensures that the business plans inform budget decisions, and that the ultimate budget decisions are reflected in the final business plans. This step also includes an opportunity for Directors and Managers to review the business plans to ensure that there is alignment between activities in different areas	December, year 1 – January, year 2
D1: Provide Feedback on Budget Decisions	This allows for a greater understanding of why budget decisions were made. This understanding helps administration understand council’s direction and priorities, and provides input into the development of the business plan for the next year.	December, year 1
D2: Finalize Business Plans	the estimated inputs, especially draft FTE staff and budget, are replaced by the approved FTE's and budget to ensure that the final business plans that will be reported to council reflect the budget decisions of council. Changes could include a revised scope for an activity if there is partial funding, or identifying an activity as not being funded at all.	December, year 1
D3: Review Finalized Business Plans	This is a discussion for administration to ensure that everyone has a clear understanding of the activities for the year. The discussion could include the implications of the final business plans on the activities for the year. Ideally, finalized business plans will be available to internal staff, on an ongoing basis.	January, year 2
E: Implement Business Plans	This is the work of the organization throughout the year.	January – December, year 2
F: Report on Business Plans	This allows for reporting on the business plan to occur informally with greater frequency and also more formally, but with less frequency. Because the business plan includes direct reference to the strategic plan,	January – December, year 2

	reporting on the business plan both formally and informally improves the connection of the business plan to the strategic plan. Tying monthly and quarterly reporting to the business plan helps to ensure that the business plan is not viewed as an “extra” requirement that serves little or no value.	
F1: Monthly Debrief	This provides an opportunity for directors and managers to keep the goals and outcomes of the strategic plan in the forefront as they make decisions throughout the year, especially in terms of potential changes to the activities that have been approved. This debriefing is already occurring.	January – December, year 2
F2: Quarterly reporting to CAO, council	<p>This makes the business plan more relevant throughout the year. This is desirable because the business plan is directly connected to the strategic plan, and thus the strategic plan, and strategic goals, will be more prominent throughout the year.</p> <p>Since the reporting is aligned with the strategic plan, there does not need to be an additional reporting piece on either the business plan, or the strategic plan. This reporting also makes the business plan more relevant throughout the year.</p> <p>Reporting on business plan activities allows the CAO and Council to see progress on targets and outcomes, and be informed of upcoming activities.</p>	March/June/September/December, year 2
G: Year in Review Report	To improve efficiency monthly and quarterly reporting, Step F, can be rolled up into the Year in Review report.	January – February, year 3
A: Develop Strategic Plan Steps F and G, reporting and Input into Year	Although this step suggests that a strategic plan implementation process is only reconsidered at the end of the process (and that there is an ‘end’), it is important to maintain the flexibility to	February, year 1 of new plan

in Review Report provide input to strategic plan development.	review and revise, as needed throughout, based on changing circumstances.	
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Business plans are revisited at five sub steps in the process (B1, B3, B4, D2, D3). Revisiting steps involves a reconsideration of the business plan that has been developed to that point. This brings more attention to the business plans as a tool to ensure that strategic plan goals are met, and increases the perception that business plans are valued by senior management.