Strategic Planning in a Local Government Association (LGA)

‘Planning supports the translation of strategies into practice; it is the first step towards the effective implementation of strategies’

1 Henry Mintzberg, The Rise and Fall of Strategic Planning
Colophon

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Introduction

Local Government Associations (LGAs) across the world are in many stages of development and thus show many differences. Some have clearly described their medium and long term strategic goals and what their association stands for. Others are developing on a day-by-day basis, without a clear vision on their future and without a strategic plan, consequently looking more like not wholly guided missiles than well organised and controlled institutes. However, most of the time the themes and difficulties LGAs are confronted with in daily practice are similar, as are LGAs members’ basic needs and expectations, and the necessary approaches and possible solutions to meet them.

Organising an LGA is like constructing a building: the first step preceding construction is developing a plan based on a vision of the future. What should the building look like, how many people does it need to house, what kind of work will be done in the building, how much money is available, when must it be available, what parties are involved…. The answers to all such questions constitute the basis for the development of a building plan. Having a building plan is an absolute must before even thinking about laying the first foundation stone. And the same goes for the ‘construction’ of an LGA.

This document can be used as an easy-reference manual in developing a systematic strategic planning system. It is especially tuned to local government institutes and LGAs whose leadership wishes to improve and strengthen the structure and performance of the organisation. The manual includes a complete set of practical guidelines. We are fully aware of the fact that planning projects may differ in complexity from country to country and even within one and the same organisation. So the guidelines described will not always be relevant for everybody in all cases. For the sake of completeness however, we have tried to be as extensive as possible. The interested LGA leadership can pick out whatever they think helpful to start or improve the strategic planning process.

1 Purpose of strategic planning

Generally speaking, organisations can only perform effectively and efficiently on the condition that there is clear and common agreement on the tasks and objectives the organisation seeks to accomplish (vision and mission) and on the way this must be realised (strategy). Strategic planning is not an end in itself but merely a tool to improve an organisation’s performance.
More specifically, strategic planning can be considered a highly participatory process - an indispensable management tool to identify:

a. The organisation’s very core reason for being
b. The future strategic direction
c. Strategic priority areas, goals and objectives
d. The necessary (re)structuring of the organisation
e. The necessary human and financial resources
f. Operational action plans
g. Monitoring mechanisms

Furthermore, the strategic planning process allows for healthy self-criticism and commitment building since it requires active involvement from board, staff and members. Strategic planning is not a one-time exercise or cast-in-stone product but a dynamic and flexible process because change is the only stable factor in life.

2 Goals of strategic planning

• Vision on the future
The main goal of strategic planning is to provide clarity about an LGA’s future and to create the political as well the operational framework for everybody involved in accomplishing its objectives. In other words, strategic planning should answer the key questions:

What do we want to accomplish by when, and what qualities, skills and resources will be needed to achieve the envisaged goals?

The answer, of course, can differ greatly from LGA to LGA. But, once it has been formulated, it will constitute the reference point and the leading guideline for planning and executing all daily activities.

• Result-oriented LGA
Demand-based strategic priorities and goals constitute the very heart of each strategic plan. Consequently, strategic planning will help the LGA in realising its objective of developing from a predominantly political organisation towards a more businesslike, member and result-oriented professional organisation.

• Well known, recognised LGA
Image building and the acquisition of funds and political support and recognition from central government and donors are likely to be more successful if the LGA has a convincing professional strategic plan, demonstrating its ability to develop mature policies and manage related projects.
• **Management and monitoring tool**
  Supposing that the strategic plan is widely distributed and well known and supported by board, staff and membership, it can also serve as a management and monitoring tool for the leadership since the plan constitutes the central framework for all LGA’s activities.

• **Communication and change management tool**
  Finally, the strategic plan can have the function of an instrument for communication and change management. The inside and outside world can be informed unequivocally about the LGA’s policy, strategy and objectives. By informing all people involved through a clear plan, it will be easier to influence people and their behaviour when and where appropriate.
First steps, preparing the path

The first chapter explained why strategic planning is an indispensable tool in modern management. Now preparations for the actual strategic planning process can start. But as a first step it is important to have some very basic and practical questions answered. These include:

1. **Is your LGA ready for it?**

   - **Resources:** Are enough money, people and time available to support the process? *Developing a strategic plan is not an in-between activity. It takes time and it costs money. Make sure that the necessary human and financial resources are available when starting the process.*

   - **Culture:** Is the organisation’s attitude sufficiently business-like, proactive and result-oriented? *A sophisticated planning tradition or culture is not common in local government institutes and LGAs. However, planning is organising the future and requires a proactive, visionary attitude.*

   - **Commitment:** Is skilled personnel available, dedicated to the process? *Make use of all available internal expertise in the process. If you do not have enough, involve experts from the membership or partners.*

   - **Vision:** Is there enough understanding of the organisation’s long-term goals? *There must be a common vision on where the organisation should be within 5 years from now and a shared feeling that professional staff and tools are needed to get there.*

   - **Motivation:** Are the people involved aware of the need for the process? *Ideally, the process should be initiated as the result of an organisation-wide motivation for developing a strategic planning system as a necessary tool to accomplish the long-term goals.*

   - **Support:** Are board and membership sufficiently convinced? *An absolute prerequisite for every action you undertake! Market your vision on how to meet the members’ needs.*

   - **Acceptance:** Does the process fit in the internal – the organisation’s – and external – the membership’s – needs and expectations? *Be sure that expectations are reasonable, realistic and credible and keep your strategic goals in line with these expectations in order to ensure a high level of acceptance among all parties involved.*
• **Climate**: Is the outside world also ready for it?
*Avoid gaps between the LGA’s aspirations and the capacity of the members to cope with them. Communicate and be clear!*

2 **Who will participate?**

One key success factor is the level of sustained attention and commitment that is given to the process. It is therefore important to establish a working committee of dedicated specialists to work on this special assignment. This committee must have a workable size of 6 to 8 participants. Final responsibility should always be at the highest decision making level, i.e. the board and the annual membership congress.

• **Process owner**: Is (are) strong person(s) available to take the lead responsibility for the process?
*An absolute prerequisite for success is the availability of a professional and dedicated project manager to whom the lead responsibility can be assigned. The role of project manager should ideally be allocated to the LGA’s executive director since he/she is supposed to know the organisation best. But it can also have advantages to hire a qualified person from outside. Generally speaking, membership, private sector, donors, partners are less emotionally involved, can keep more distance, are less vulnerable, can be kept to timetables and are more result-oriented.*

• **Staff**: Have the members of the LGA’s staff the required expertise and are they available?
*Normally, members of the management team are best placed to be involved in the strategic planning process because their technical backgrounds (financial, juridical, administrative, technical, political, PR, etc.) are practically always needed in the process. In order to increase commitment, it is wise to include one or two representatives from the membership.*

• **Board**: Has the steering function been assigned?
*Policy and decision making is the responsibility of the Board. Consequently, the working committee is accountable to the Board. Some board members will be members of the steering committee and will have to ensure the process develops properly and in a timely manner.*

• **Membership**: Is a cross-section of members involved?
*Since members have a final say in decision making, it is wise to consider the nomination of some expert members in the working and steering committee. At milestone moments, the membership could be informed about progress and status of the process (website, newsletter, etc.)*
3 How to organise and manage the process?

A major attention area in project development and management is keeping the process on the right track. Especially in a rapidly changing environment where the political climate is unstable and resources are limited, organisational initiatives like strategic planning are a major challenge. It is therefore of vital importance to develop a project plan in which the different project components are detailed.

- **Goals:** What do you want to accomplish through strategic planning? What is the purpose of strategic planning in your particular situation? What are your expectations? Are they realistic and attainable? What are the success factors and pitfalls in your specific case? In answering these questions as a concise intro to your project plan, you will see that writing a project plan is very similar to elaborating a comprehensive strategic plan.

- **Work plan:** Are all necessary actions listed? What is needed for the production of the strategic plan? Think about preparatory actions such as producing a project budget, establishing a working committee and a steering committee, a meeting and communications structure, a member needs assessment, etc. Make an inventory and translate it into a work plan with calendar.

- **Job description:** What has to be done? Once you know what actions have to be undertaken to produce the strategic plan, you can describe the different jobs. Include the expected results for each job, the required qualifications and the expected time needed to do the job. Keep the descriptions short and clear.

- **Process owners:** Who is doing what; are all tasks and responsibilities allocated? Be specific not only in what you expect from the participants (tasks, job descriptions, outcome) but also in the allocation of responsibilities. Let the participants do the things they are specialists in.

- **Timing:** Are time schedules available and is enough time allocated to participants? Be aware of the fact that, normally speaking, participants have a regular full time job and that participating in a comprehensive project will put more stress on them. It is therefore important to involve participants in the production of workable, realistic time schedules. Once there is consensus on this issue, "no time" will no longer be possible as excuse for delay.

- **Monitoring:** Have mechanisms been developed and put in place? There are two useful monitoring mechanisms in project management. First, include specific performance indicators and output targets in work plans, next to a timetable. Secondly, include a meeting structure in the timetable - once a week, not less than once a month. In doing so, it will be relatively easy to evaluate together, on a regular and structural basis, the status of the project in terms of progress as well as the quantity and quality of the requested deliverables. Make timely adjustments where and when necessary.
• Resources: Is there a project budget?

*Budgeting all eventual costs that can be foreseen is necessary in order to keep control of the costs of the project. The project budget should cover all aspects for the period the project is estimated to run. A project budget could also make part of the basis for decision making for kick off.*

Actually, preparing and developing the strategic planning process is in itself a planning exercise!
2 Structure of the Strategic Plan

Comparing the results of strategic planning of different LGAs, the outcomes differ considerably from case to case. They vary from comprehensive documents including detailed, result-oriented practical guidelines to short, very general papers consisting of a mission statement and a couple of long-term abstract goals. It is impossible to establish one uniform, generally applicable format. Very generally speaking one could say that the younger and more inexperienced the organization is, the more it is advisable to elaborate goals into detailed practical work plans. Mature organizations, however, will also benefit from an appealing, practical Strategic Plan.

This chapter describes all possible components of the ideal Strategic Plan. Consider it a menu from which one can choose whatever may suit your organization best.

Resuming what has been said so far, the following basic questions will constitute the structure of each strategic plan.

- Where are we now (situational analysis, SWOT)?
- Where do we want to be within, let us say 5 years from now (vision and mission)?
- How do we get there (general policy, strategic priorities and objectives)?
- How are we going to organize it financially (financial plan)?
- What actions do we have to take (work plans)?
- How do we monitor the process (evaluation, tuning, reviewing mechanisms)?

The translation of these basic questions into a planning framework is summarized on the chart on the next page.
As the chart shows, vision and mission are the very starting point for policy making, highly influenced by mutual inspiration of membership and leadership. Once vision and mission are established, the strategy is elaborated in a permanent process of management and staff input.

A SWOT analysis should precede all strategic planning related actions, since its results should give full insight in the association’s current state of affairs.

Now, let us elaborate this chart and see how the various components can contribute to the Strategic Plan’s practical value.

1 The SWOT analysis

The first action in the strategic planning process is the SWOT – Strengths, Weaknesses, Opportunities and Threats – analysis that should at the end answer the question ‘where are we now’. It should be divided into two parts:

- **The inside world**: an assessment of organizational status
- **The outside world**: an assessment of the relationship with membership, donors, central government and other partners; how do external circumstances and developments influence the organization and its future.

The inside part of the SWOT analysis includes a process of sincere and healthy self-criticism to clarify organizational strengths and weaknesses. It is therefore often considered the most difficult and even painful exercise. The outside part is more specifically focused on the identification of external opportunities and threats.

The SWOT analysis can only bring forward the reliable information required if it has a high level of participation and if it is monitored properly. So the SWOT exercise should ideally be carried out in a workshop moderated by an external ‘invulnerable’ expert. At least operational management and staff should support this part of the process and actively participate in it. A couple of member representatives should participate as involved observers.

In order to structure the SWOT analysis process and to ensure maximum effectiveness, a list of themes to be ranked and assessed has to be produced as the first step. This list can be produced during the SWOT exercise by the participants or in advance. The composition of this list will probably vary from one LGA to another. The issues listed below have been chosen at random to help those involved come up with a more personal version.

**Inside world:**
- Vision and mission
- Organizational structure and quality (allocation of tasks and responsibilities, committees, good governance principles, etc.)
> Human resources management (job descriptions, evaluation methodology, training possibilities, career opportunities, incentives, working conditions, etc.)
> Operating procedures (described, documented, actuality, maintenance, etc.)
> Meeting and monitoring structures
> Financial management
> Independence (finances, policy, agenda setting, etc.)
> Institutional strengthening need and strategy
> Etc.

Outside world:
> Lobbying and advocacy
> Service provision (core, paid)
> Membership fees (formula, collection and sanction policy)
> Member capacity building
> PR and communication
> National and international cooperation (central government, donor community, intermunicipal relations, LGAs, NGOs, etc.)
> Decentralization process
> Democratization process
> Good governance principles at local government level
> Member expertise involvement (committees)
> Central government policy (decentralization, democratization, intergovernmental financial relation, legal relations, etc.)
> Policy and agendas of donor community
> Socio-economic development
> Local government organizational and financial situation
> Fiscal aspects
> Etc.

The second step for the SWOT analysis participants is to rank the importance of the themes they consider relevant in their specific situation.

• The following chart of questions and scores could be helpful in the ranking exercise. The themes mentioned in the chart are, again, just chosen as examples. Each theme can be specified according to individual needs and translated in several issues, e.g. HR management: job descriptions, evaluation methodology, training possibilities, career opportunities, incentives, working conditions, etc.
<table>
<thead>
<tr>
<th>Themes/issues</th>
<th>A</th>
<th>B</th>
<th>C</th>
<th>D</th>
<th>Total score</th>
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<td><strong>Inside world</strong></td>
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<td>3 Financial sustainability</td>
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<td>4 HR management</td>
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<td>5 Operational management</td>
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<td>6 Standard operating procedures</td>
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<td>7 Strategic planning</td>
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<td><strong>Outside world</strong></td>
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<td>3 PR and communication</td>
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<td>4 International relations</td>
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<td>5 Central government policy</td>
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<td>7 Decentralization process</td>
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</table>

*Column A:* What is the level of relevance and importance of this theme or issue in our relations with the membership?

*Column B:* What is the level of relevance of this theme or issue for our mission?

*Column C:* What is the priority level this theme or issue should have in our organisation?

*Column D:* What is the relative importance of this theme or issue compared to the others?

**Scores:**
0 = zero 1 = very low 2 = low 3 = average 4 = high 5 = very high

The individual scores of the participants are totalized per theme or issue. In a second chart all themes and issues are prioritized in accordance with the outcomes of the ranking exercise. The theme with the highest total score is #1, with the
The third step now is to assess the prioritized themes and issues. To facilitate this step, you can use the following chart in which the themes and issues are now prioritized at random.

This assessment part of the SWOT analysis exercise could be carried out by simply marking each relevant box with a tick. It is better, however, to describe in short remarks or keywords what the eventual SWOTs within each theme are.

Once you have carried out the SWOT analysis you should have detailed insight in and consensus on two important issues.

1. A list of themes, the association and its stakeholders will have to deal with, ranked according to their importance,
2. Specific information on what the stakeholders consider the association’s current status.

If your SWOT analysis has identified a list of top-10 themes, which are all unanimously considered as strengths or opportunities: congratulations, you are already doing a great job. If the contrary should be the case, you are facing a challenging future. Reality, however, will normally be somewhere in between, so go on reading this strategic planning manual.

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<thead>
<tr>
<th>Themes/Issues</th>
<th>Ranking</th>
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<td>1 Mission</td>
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<td>2 Financial sustainability</td>
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<td>3 Standard operating procedures</td>
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<td>4 Strategic planning</td>
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<td>5 Operational management</td>
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<td>6 HR management</td>
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<td>7 Organizational structure/quality</td>
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<td><strong>Outside world</strong></td>
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<td>1 Lobbying and advocacy</td>
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<td>2 Decentralization process</td>
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<td>3 Service provision</td>
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<td>4 PR and communication</td>
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<td>5 Central government policy</td>
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<td>6 Local government strengthening</td>
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<td>7 International relations</td>
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2 Vision and mission

Now you know where your association is, the next question is where you want to be 3 to 5 years from now, the final goal. The association’s vision and mission are the start of the way to sort out this question. Without a clear mission statement, successful strategic planning is impossible.

MISSION STATEMENT OF ADEKSI, THE INDONESIAN ASSOCIATION OF LOCAL COUNCILS:
ADEKSI will be a professional, self-reliant association of local councils that unites, represents and supports its members in strengthening decentralisation and local democratisation.

A qualified board will have a vision of the ultimate ‘destination’ of the association. A vision is like a dream. It reflects long-term, more or less time-resistant ambitions, the association’s core vocation, values, beliefs, a philosophy, in fact its reason for being. Translate the vision into more practical terms and you will have a mission that identifies not only the central and final goal that your association seeks to achieve, but also what distinguishes your association from others.

How do you recognize a good mission statement? It is:
• Strong and short
• Original and understandable
• Convincing for the inside and outside world
• Inspiring, energizing and motivating for staff
• The central focus and reference point for management
• Give direction to actions and decisions

A mission statement should only be changed if your environment changes, e.g. because of new laws, economic and/or political shifts, new stakeholders entering the picture, etc.

MISSION STATEMENT OF THE STANDING CONFERENCE OF TOWNS AND MUNICIPALITIES IN SERBIA
The Mission of the Standing Conference, as the National Association of Local Governments in Serbia, is to create efficient, sustainable and democratic local government by means of joint high quality performance.

If your mission statement fits on a business card, can be literally memorized by all board and staff members, covers what your association stands for and enjoys 100% consensus, you are on the right track.
3 General strategy

Strategic planning is a converging process: every next step has a more practical, down-to-earth character. Formulating the general strategy is the practical elaboration of the mission statement. It is the description of the route towards the achievement of the long-term goals.

In identifying the general strategy, the results of the SWOT analysis are of course an important source of inspiration. It is wise to distinguish between the internal and external general strategy.

Because quality performance requires a quality association, the internal strategy is all about constantly meeting this very important prerequisite for serving the membership optimally.

Consequently, the internal strategy is generally related to:
- Financial and political independence and sustainability
- Sound organizational structures and instruments (operating procedures)
- Human resources management in all its aspects
- Strong leadership (board, staff, committees) including excellent complementary inter-relationships
- Application of good governance principles (transparency, accountability, responsiveness)

The external strategy often refers to:
- Support in the process of decentralization (local government autonomy) and democratization
- Advocacy, lobbying and representation
- Capacity building programmes
- Service provision programmes
- Image building on the national and international stage
- Partnerships (central government, donors, LGAs, NGOs)

Although this may all be very true, a general strategy needs further refinement in order to make it doable and visible in daily operations.

4 The SMART principles

Refinement of the general strategy means identifying strategic priority areas and strategic objectives. Before describing the identification process and the possible outcomes, let us first have a look at the SMART principles the outcomes ideally have to comply with.

First of all, all goals, objectives and activities must fit in the identified strategic areas and link to the mission statement. If this is not the case, either the mission statement is not correct, or non-relevant subjects enter your activity programme.
Secondly, all goals and objectives must meet the SMART principles:

• **S**pecific: Objectives and targets must be concrete and clear, not general and abstract (this is the privilege of the general strategy),
• **M**easurable: The target outputs must be able to be measured e.g. numbers and clear outcomes
  > **M** stands also for **M**anageable: do not bite off more than you can chew. Adapt workload to capacity. It is better achieving five goals 100% than ten at 50%.
• **A**chievable and attainable: It is no use to start programmes that are so complex, time consuming, expensive or whatever, that failure is predictable; be sure that targets are expressed in a way that it is known that it can be achieved.
• **R**ealistic: Tune targets and available resources; it does not make sense to set targets that cannot reasonably be achieved.
  > **R** stands also for **R**esult-oriented: Make sure that goals and objectives focus on ends, not efforts.
• **T**imed and time-bound: Work with realistic timetables and include deadlines for completion of activities and especially for significant milestones.

Keep the principles in mind when starting up the process of identifying strategic priority areas, strategic goals, strategic objectives and work plans.

**5 Strategic priority areas and goals**

Practically all LGAs in the world share a number of strategic priority areas and goals from which a full set of core services is derived. Many LGAs have included their basic strategic goals in their constitution. They reflect the basic needs and wishes of all members. Once the association has identified its priority areas and the related goals, it can start developing the strategy necessary to achieve these goals.

The three shared priority areas are roughly:

1. The advocacy role or representing and defending the interests of its members, also called the trade union function.
2. The provision of supporting services to help the members in optimally serving their members.
3. The collection and dissemination of all kinds of information relevant to the members.

The achievement of the strategic goals that are derived from these common priority areas are considered statutory obligations of all LGAs. In most cases, they are related to the core activities of members themselves such as policy making, legal development and service provision to the citizenry.
STRATEGIC PRIORITY AREAS AND CORE SERVICES WELL ORGANIZED: THE VNG CASE (ASSOCIATION OF NETHERLANDS MUNICIPALITIES).

In daily practice the provision of core services has many forms. VNG in the Netherlands, for instance, offers a full range of services directly derived from the three core strategic priority areas and logically grouped in different departments. The operational costs of these services are always included in the membership fee. Core service-related activities are normally not outsourced, nor privatised since this would affect the basic reason for existence of the LGA.

As every organisation, municipalities also have many operational needs. These needs can be considered as common needs but generally they do not have a direct or specific relation with core municipal activities. First of all, municipalities have to keep the ‘administrative motor’ going and secondly, many core activities ask for non-core but special knowledge and efforts. In identifying priority areas it is important to make distinction between common core areas and tailor-made operational support areas.

Identifying the right strategic priority areas is as important as tuning the number to the span of control of your association. Assuming that you are close enough to your ‘target group’ to know what the actual local government related themes are, it is not too difficult to determine a manageable number of priority areas. Be sure that the selected areas are relevant to the majority of the membership and, consequently, make them part of the core business of your association.

6 Strategic objectives and milestones

As we have seen, general strategy and strategic priority areas are directly related to the identification and achievement of long-term, final, strategic goals. Strategic objectives represent more practical medium and short-term interim goals that have to be achieved in order to reach the final strategic goal. Therefore, they need to be much more ‘SMART’.

In narrowing each strategic priority area, you now have to identify the objectives that must be achieved in order to reach the final goals related to that strategic area. Include for each objective the milestones, a timetable and deadline and indicate who is/are responsible. Strategic objectives that miss one or more of these parameters are like travelling without a clear schedule and destination; they are doomed from the start! The following format can help you in organizing this step in your strategic planning exercise.
**Strategic priority # 1**

<table>
<thead>
<tr>
<th>Objectives #:</th>
<th>Milestones</th>
<th>Time/deadline</th>
<th>Output target</th>
<th>Responsibility</th>
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Milestones are not final targets or expected outcomes. They represent measures on the way to the full achievement of the strategic objective and serve as monitoring instruments. They help answer questions as: Are we on the right track? Are we on schedule? Are we still heading toward the final goal? Do we have to review the objective or maybe even the final goal? And remember: always keep the SMART principles in mind especially in formulating the strategic objectives!
3 The Financial Plan

Financial planning and strategic planning go hand in hand. The explanation is simple and logic. Making plans without answering the question how the implementation will be financed, does not make sense. Financial planning should actually precede the process of strategic planning where it is related to the costs of the strategic planning operation. Surprisingly enough, however, quite some LGAs consider financial planning and strategic planning as separate exercises which, consequently, frequently causes financial and operational frustrations.

Financial planning can be defined as the development of a long-term financial strategy that aims at a sound development of resources that are needed to achieve the long-term goals as described in the Strategic Plan. Resources can be membership fees, income through the provision of paid services, donor funding, technical donor support, in-sourced project management, goodwill and image income (e.g. advertisements in LGA’s publications, presentations at congresses, etc.) and more. A good financial plan indicates in headlines how the association’s operations and services will be financed, how resources are expected to develop and to what activities they will be allocated. The financial plan together with the annual work plans constitutes the starting point for the yearly budgeting exercise that leads to short-term forecasting of the association’s annual revenues and expenses and financial results.

1 Structure

Although financial planning is of utmost importance to the successful implementation of the strategic plan, its structure is not really complicated. A good financial plan consists of the following components.

1 The expected medium term expenditures, comprising at least total operational costs, core business costs, costs for additional (paid) services, project costs and contingencies.
2 The expected mid-term revenues, comprising at least the total amount of membership fees, income through additional (paid) services and donor funding.
3 The expected surpluses or deficits, plus eventual distinction between results with donor funding and without donor funding.
4 Explanatory notes
The format below is a practical example of the translation in figures of a financial plan.

<table>
<thead>
<tr>
<th></th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>Grand totals</th>
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<td><strong>1 Expenditures</strong></td>
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<td>1.1 Operational costs</td>
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<td>1.2 Additional costs</td>
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<td>strategic priorities and projects</td>
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<td>1.3 Contingencies</td>
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<td>1.4 Etc.</td>
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<td><strong>Total expenditures</strong></td>
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<td><strong>2 Revenues</strong></td>
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<td>2.1 Membership fees</td>
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<td>% of total yearly operational expenditures</td>
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<td>2.2 Paid services</td>
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<td>2.3 Etc.</td>
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<td><strong>Total revenues</strong></td>
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<td><strong>3 Expected financial result</strong></td>
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If you have, like many LGAs, identified financial independence and sustainability as a strategic priority objective, it is advisable to pay extra attention to development of own income versus donor funding. Core business-related activities should ideally be financed completely through membership fees, whereas donor funding is in most cases related to specific projects.

These last remarks underline:
- The importance of having full and clear understanding and broad consensus of what your association’s medium term goals are
- The importance of having clearly defined what you consider as core business, additional services and donor funding related projects
- The importance of having a well thought-out membership fee formula, and collection and sanction policy

These themes constitute the very starting point for the development of your financial plan.
Financial planning in practice:

**THE APLA CASE (ASSOCIATION OF PALESTINIAN LOCAL AUTHORITIES)**

APLA was established in June 1997 with full financial support from the Dutch government. It is the first national municipal association in the Arab world and marks a milestone in local government development in Palestine. In its new Financial Plan as part of the Strategic Plan of August 2004, APLA expressed its ambition to increase its financial independence and sustainability by introducing a sound membership fee structure to its members together with a core service provision programme (showing members they would receive value for money increases willingness to pay membership fees). APLA aims at tripling its income through membership fees within 3 years enabling the association to fulfil its core commitments towards its membership. With its new financial strategy APLA has at the same time convinced Dutch government and other donors of its ability to plan and work effectively with resources and secured continuation of donor funding.

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2 Link with the Strategic Plan

As we have seen, financial planning is inextricably bound up with strategic planning. The strategic plan will be much more realistic and viable if you have integrated the issue of financial resources in the planning process. Keep in mind that both strategic planning and financial planning are dynamic and flexible processes. They need to be assessed and updated at least once a year. As most associations you probably also have an annual budget cycle. Integrate your annual budgeting exercise in the yearly process of assessing and updating your strategic and financial plans.
4 Work plans and budget

You have formulated the mission statement and identified the strategic priorities areas, the related long-term goals, the strategic objectives for each priority area and you have developed a clear insight into the financial impact. So, you actually have finalized the very heart of the strategic planning process. In the strategic planning process you now have come to the most operational level, the annual work plans.

1 Structure and format

Work plans can be defined as the translation of strategic objectives (see Chapter 3.6) into specific and operational programmes of activities that have to be undertaken in order to realize the short term objectives. In fact, making work plans is categorizing and organizing all yearly activities for the association’s leadership and staff; it means that individual agendas are going to be filled. Work plans have proven to be of great support in daily LGA practice in executing and monitoring effectively and efficiently activity programmes.

THE BENEFITS OF WORK PLANS – THE COMURES CASE
(Association of municipalities in the Republic of El Salvador)
The 2004 Strategic Plan of COMURES focused on three service provision areas: central purchasing, legal support and financial services. As a first step, a complete set of basic questions and starting points were elaborated in work plans. All staff members know exactly how tasks and responsibilities are allocated and ownership and commitment are high. This approach has resulted in mutual inspiration and encouragement, few pitfalls, high level of result-orientation and effective monitoring practices.

The last quarter of each year is the best period for developing work plans for the next year. The basis for this should be the results of progress and achievements of the running year and of the status of the originally formulated long-term strategic priority areas and goals.

The ideal work plan includes the following components:
1 Strategic priority area
2 Responsible department and manager
3 Work plan number
4 Starting and completion date work plan
Strategic priority area: 
Responsible department: 
Responsible manager: 
Work plan #: 
Start work plan: 
Work plan period: 
Work plan completion date: 

<table>
<thead>
<tr>
<th>Objective #</th>
<th>Activity</th>
<th>Performance Indicators</th>
<th>Results/Outcome</th>
<th>Process owner</th>
<th>Parties involved</th>
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</table>
In producing the work plans, it is important to plan the activities in the right order. Each work plan should cover a complete set of coherent activities. If there is a high need of very detailed description and planning of certain activities, these activities in the work plans could eventually be elaborated in another, separate work plan.

Remember: Also at the operational level of work plans all activities and expected results and outcomes must meet the SMART standards, and must fully fit into the outset objectives and goals.

Once the work plans are established, the next year’s budget can be finalized. Ideally, work plans should inform the budget setting which, in turn, should support the production of work plans. It does not make sense to establish work plans that are insufficiently funded. Similarly, avoid including items of low relevance or importance in work plans; they should not consume scarce resources.

2 Link with the Strategic Plan

Work plans and the annual budget have, of course, a direct relation with the Strategic Plan. Work plans constitute the first concrete step towards the achievement of the strategic objectives and goals and the budget is closely related to the established objectives. However, neither work plans nor budget are integrated in the strategic plan because they have an operational character and they have to be formulated on a yearly basis.
5 The actual production of the Strategic Plan

In this chapter we elaborate on two questions related to the production of the strategic plan: Who does what, and how to do it. The latter is of course a question of personal style. But there are some objective standards that can make every presentation more appealing and effective. If you apply them properly you avoid the strategic plan being put on a shelf and having little impact.

In most cases it starts with LGA leadership creating a task force or small working group with the special assignment to coordinate all activities related to the production of the strategic plan. First of all, there must be a sort of ‘process champion’ who can take the lead and who is backed throughout by the LGA leadership. Other members of the working group must be carefully selected from local government politicians, members, staff members and non-executive members of the association. It may also help to bring in an outside expert-facilitator to guide the process.

Let us now see who within the association, next to members of the working group, is/are supposed to be involved in the planning process.

1 Development of vision and mission: Board

The strategic plan should not be just another document or product. It must be the result of a process that, first of all, demands full attention and involvement of the Board. It starts there, with the development of the vision and mission, resulting in a mission statement that clearly indicates where the association is heading. Developing and maintaining it and achieving consensus is an essential exercise that is the Board’s primary responsibility. Actually, it should be put on the Board’s agenda at least once a year in order to ensure its current and dynamic character.

2 Formulation of general strategy: Board and management

Do not expect the board to add great detail to the association’s strategy. Their task is to adopt clear policies which the executive management and the staff believe are the appropriate translation of the mission. So, formulation of general strategy is the result of a two-way strategic, forward-thinking process resulting in a clear delineation of policy headlines.
3 Identification of strategic priority areas and goals:
Board, management and membership

The process of narrowing down the established general strategy results in the identification of strategic priority areas and goals. This process must have a strong demand driven character since it finally will have to lead to the selection of service areas. So, especially this step in the planning process requires involvement of both LGA leadership and (representatives of) the membership because ‘demand and supply’ have to match optimally. The most effective way to keep common membership needs and wishes in balance with your service strategy is to organise membership consultation meetings regularly, i.e. at strategic moments (e.g. general assembly).

PRODUCTION OF THE STRATEGIC PLAN - THE SCTM CASE
(Standing Conference of Towns and Municipalities in Serbia)

November, 2004: in order to create a maximum level of input, ownership and consensus about the major components of its new Strategic Plan, SCTM organized a highly participatory, teambuilding workshop of two days. Participants were representatives of board, staff, members and donors. An expert-facilitator from a sister LGA was asked for support. The result: at the end of the workshop the first outlines of the new Strategic Plan were produced and agreed upon.

Ideally, a needs assessment mechanism should be put in place in order to guarantee a constant, complete, clear and updated insight in your membership’s priorities and expectations. Tools include consultation meetings, member surveys, roundtables, questionnaires (written or by telephone), workshops and assessment of service programme success levels.

4 Formulation of the Financial Plan: chief executive and financial manager

Once you know what your association is going to undertake, you can calculate the financial impact and the necessary revenues. Consequently, the financial plan has to be drafted after the identification of service provision areas. The financial manager is responsible for drafting all components of the financial plan under the operational supervision of the chief executive.
5 How to do it

It is the task of the working group to consolidate the input of all parties involved in the planning process in a draft strategic plan. Will this be a collection of quotes or an easily digestible, coherent and complete document? Is there some kind of a preferred writing method and style?

There is no accounting for taste, style is something very personal and the content is more important than the way it is presented. However, many people – from close-by decision makers to far-away interested spectators – will read the association’s strategic plan. Do not underestimate the impact your plan can have, also on the overall appreciation of your association. So, next to content, method and style do matter. The more appealing your approach the more lasting your message will be. How do you get maximum impact? Make your choice from the menu of style items below.

- **Short and to the point**: Do not use too flowery language, be specific and straightforward avoid confusing language and appreciate that the first impression must be the best one.
- **Readable**: Make sure that the plan has a coherent and logical construction, avoid double meanings and superfluous digressions. Use a down-to-earth and practical style that invites the reader to continue reading.
- **Understandable**: Do not use too much technical jargon and if you do, explain it. Appreciate that readers, even decision makers, are not always planning experts.
- **Honest**: Do not cover up weaknesses that could affect the feasibility of the association’s ambitions; present reality and realistic plans.
- **Reliable**: Presentation of realistic and recognizable plans makes your association and the plan reliable.
- **Convincing**: Show ambition, enthusiasm and belief but do not be overambitious; it is better to adapt the plan in a positive way than face a frustrating gap between original plans and final outcomes.

It may be helpful to ask an outside expert, if such a person is not already involved from the start, to read the first draft of the document and to comment, before presenting it in an official context.
Implementing, monitoring, tuning and review mechanisms

Congratulations! The Board has approved your strategic plan and the General Assembly has adopted it. So, now the plan has an official status and the process of implementation can start. From now on, the focus is no longer on debating, deliberating and meetings but on result-oriented action.

Implementation is nothing else than bringing the plan to reality. And this is easier said than done. Just as making the strategic plan itself, making it reality needs the involvement of many dedicated people who will have to fit new priorities in their agendas. Allocation of tasks and responsibilities has already been elaborated in the first year work plans, so everybody should be fully informed and be ready for a smooth take-off. How do you keep the process on track and up to speed?

1 Implementation: the role of executive management

Whereas policy and decision making is reserved to the Board, operational responsibilities related to the achievement of the yearly objectives and the long-term strategic goals must be allocated to the executive director and his staff. Operational responsibilities also include daily office management such as coaching staff and monitoring work. They furthermore include the role of intermediary and interlocutor for Board and staff. Both chief executive and leadership must appreciate that strong operational management is of crucial importance to the successful realization of objectives and goals, and that it requires, consequently, full-time dedicated attention and involvement, and outstanding managing skills.

2 Implementation: the role of personnel and stakeholders

What goes for the chief executive officer similarly goes for each of the staff members. Dedicated attention, proper skills, team spirit and, of course, clear and proper allocation of tasks and responsibilities are the key to success.

How to involve stakeholders like the donor community? Although LGA leadership and staff are supposed to be best placed to set priorities, donors also have a good sense of what national priorities should be and how they could support LGAs in achieving common strategic goals. It is thus wise to involve them in your strategic planning process especially when it comes to the identification and synchronization of priority areas. However, you are setting the final agenda, and you have the final say in what strategic areas, to what extent and in what form donors’ input is most
appropriate. Link their input, be it technical or financial not only to your strategic plan but also to your financial plan. As soon as your strategic plan has obtained official status, you can formalize the intended cooperation in a memorandum of understanding or a contract.

The proper and timely involvement of donors can be of huge support to LGAs, the membership but also to the donors themselves. Having a strategic plan will help you convince them of the seriousness of your ambitions and will support donors in giving direction to their own strategic planning.

3 Monitoring the implementation process

In order to keep the process of executing work plans on track and up to speed, the following monitoring instruments can be used. These are examples of monitoring procedures that LGAs over the world apply successfully in daily practice.

- Weekly monitoring meetings of chief executive and staff: Exchange of information on progress including relevant financial aspects. Work plans should be the reference point.
- Monthly meetings of chief executive with staff members (process owners): Written short report from each staff member on status of his/her activities (on track, ahead, delay, deviations), on financial developments (expenses and income versus budget/financial plan). Oral preview on next month programme and eventual external developments/complications/foreseen delay, etc.
- Quarterly written progress and financial report based on monthly staff reports submitted to board (e.g. by secretary general), including eventual proposals for programme adaptations.
- Quarterly written reports to inform supporting institutes/donors particularly focusing on status of implementation of agreed actions.
- Yearly written report to board and general assembly on achievements versus work plans together with financial report (preliminary account, budget) and submission of work plans for next year including eventual programme adaptations.

In most LGAs the chief executive has lead responsibilities in all reporting structures and monitoring meetings. He/she organises them and is the chairman. He/she should also have the mandate to approve eventual programme adaptations.

4 Tuning instruments

The strategic priorities outlined in the strategic plan and the yearly work plans will in the first place have to meet the needs and wishes of the membership. Endorsement by the members, e.g. during the annual General Assembly, implies reconfirmation of offer and demand being in line with each other. Eventual in-between fine-tuning should take place within the framework of the described monitoring mechanisms and regular reporting and consulting structures among members, board, staff and donors.
5 Reviewing methodology

In case of developments, whether internal or external, which are beyond control of the process owners causing delay in program implementation, the chief executive must have the mandate to adapt or review timelines, deadlines or work plans. If this occurs, he/she is supposed to include in the quarterly reports to the board the causes of delay and/or justification of programme adaptations.

Since all process owners, including the chief executive, have been involved in the development of the strategic plan and the derived work plans, they are expected to eventually reprioritize their agenda in order to perform promptly and in accordance with the approved work plans.
7 Presentation and communication

Presentation is a key part of communication. In the restricted sense, presentation is the way the physical product is transferred in house. Communication is the constant interaction between all parties involved aiming at positioning the local government association in a positive way in the inside and outside world and facilitating the achievement of its goals.

1 Effective presentation

Producing a strategic plan or presenting it is never an end in itself. But appearances count. If a document looks bad, it affects its impact. A bad presentation is the shortest way for a plan to reach the shelf or shredder. So, create an appealing appearance: quality printing on quality paper, attractive lay-out, title page, table of contents, page numbering, nice cover, well bound, etc. A good looking document invites reading, but creating involvement, ownership and teambuilding needs more. How do you ‘sell’ the strategic plan to the LGA staff?

As we have seen, strategic planning can have a dramatic impact on the association and its personnel, especially when the intention is to accomplish organizational change. It can even affect people’s lives. But especially in the event of possible personal threats, consultation and information meetings on milestone moments are a must. An open and honest presentation of the association’s Strategic Plan (see Chapter 6.5) and its full potential impact can bring about miracles whereas keeping people in a state of suspense makes them feel very uncomfortable and undermines their motivation and performances.

2 Successful communication

Successful implementation of a Strategic Plan demands a good internal and external communication strategy. The finalization and endorsement of the Plan is the first success to celebrate. Spread the news by sending a printed copy to all members including the financial plan with a one-page covering management summary as accompanying letter from the Chairman of the Board. Do the same with the annual budget. It is an efficient way of informing members about the services they may expect from their association and what they are paying their membership fees for. It also creates mutual commitment to the final goal as formulated in the mission statement. Other external communication techniques are:
• Production of special editions of your external newsletter or magazine
• Participation in news media (interviews, panel discussions, presentations)
• Cooperation with editorial staff of national and local newspapers
• Production of press releases
• Presentations on the association’s website
• Production of newspapers articles, etc.

And why not put your mission statement, eventually translated in a couple of keywords, on business cards and letterheads?

In-house communication consists of continuously drawing attention to the strategic plan and the progress being made. Celebrate reaching milestones by talking about them at formal meetings, informal encounters and coffee breaks. Write articles for bulletin boards and internal newsletters. Show through the presentation of specific accomplishments that the association is heading towards its goals. Just keep everybody enthusiastic and motivated by disseminating relevant news and collecting valuable feedback. Chief executive and staff have a common responsibility in this area.

Communication is a specialism. Therefore, involve your communication expert on relevant moments in the planning process and be sure that he/she gives it the necessary attention in the association’s overall communication strategy.
Strategic planning gives direction to the association’s future. Once the strategic plan has been developed, it also constitutes a managerial framework. Daily operations, facilitating change, monitoring processes and coaching people can be much better organized if there is consensus about the strategic headlines. As long as actions serve the achievements of common goals, eventual opposition can be managed better.

1 Result management

Many LGAs still have an effort-oriented, not very businesslike culture. Strategic planning practically always results in a shift to a more result-oriented attitude based on modern management principles.

STRATEGIC PLANNING AS MANAGEMENT TOOL: THE LMP CASE
(League of Municipalities of the Philippines)

July 2001: the strategic plan was able to shift the mind-set of the League of Municipalities of the Philippines (LMP) from a predominantly political organisation to one where it is a focal point for managing municipalities. The plan provides a technical basis and sound management principles to the political imperatives of local government.

This shift is unavoidable because the membership is increasingly expected to do the same and because the achievement of goals is impossible if policy-making is not followed up by result oriented operational management. The mission statement indicates the final long term goal. The work plans list the short term and concrete objectives. If they are ‘SMART’ they will inspire leadership to become entrepreneur and staff to become managers.

3 Human resources management

There are two possible ways of selecting strategic objectives and goals. You can take the actual capacity and skills of the association’s staff as starting point or you can base yourself on the membership’s needs and wishes. If you choose for the first
option you can justify your choice with the available limited human resources. This short-term approach may conflict with the very core of the association: being the representative of and full service provider for the membership. It is the membership that at the end determines the strategic policy of their association and your strategic plan should fully comply with their needs.

If your policy so far has been more supply-oriented, the demand-driven approach can cause conflict: it may overcharge the existing staff or exceed their capacity and skills. Part of the planning and implementation process is, therefore, to assess the current capacity and skills and bring them into balance with what is required. This means that you probably will have to organize - if not already done – trainings, develop evaluation and monitoring mechanisms, apply a system of job rotation and personnel shifts, carry out staff development etc. This balancing or tuning operation is another precondition for the successful implementation of the strategic plan and requires sound human resources management procedures (HRM handbook) and a professional personnel manager. The availability of a clear strategic plan will help him/her to operate much more effectively.

2 Change management

Associations that operate without a strategic plan are doomed to confront members and personnel with a reactive day-to-day ‘strategy’. People who feel comfortable in this environment are not likely to be ever in the mood for changes. However, a result-oriented strategic plan demands organizational adaptations and, consequently, behavioural changes. This is probably the most difficult part of the implementation process.

The clearer you have been in describing how to achieve objectives and goals, and the earlier in the planning process you have involved personnel (presentation and communication!), the easier it is to get support and commitment for necessary changes right from the very start. Nevertheless, however clear and helpful your strategic plan might be, it will require quite some people- and change management skills from the chief executive and his/her personnel manager to do this crucial part of the job.
Checklists can be helpful not only at the end of the planning process but also at the very beginning. Making a first rough table of contents as first outlines is a practical and common approach. The same goes for a list of possible pitfalls and success factors. If you keep them in mind during the whole process, the production and quality of the Strategic Plan are likely to be easier and more effective. The lists are extensive; pick out whatever is helpful and appropriate in your particular situation.

1 Contents

Front page
Document title, covering period, name of author(s), date of production, date of Board’s approval, date of adoption by General Assembly.

Table of contents
Chapter heads, subheads, page numbering, annexes, consulted literature.

Introduction
Background, justification, purpose, goals.

Methodology
Preparatory measures, procedures, participants, decision making process.

SWOT analysis
Methodology, participants, most important findings (top 3 per item), summary or extensive presentation, conclusions.

Vision and Mission
Clear, simple, brief statement about final goal or destination, consensus, link with core business.

General Strategy
Distinction between internal (organizational) and external long term strategic goals.

Strategic priority areas
Description of more specific internal and external long term strategic focus.

Strategic objectives
Mid-term goals, milestones, deadlines, output targets, responsibilities.
Risk analysis
See SWOT analysis.

Success factors
Preconditions for successful implementation.

2 Pitfalls

Daily routine
Daily routine wins if plan is boring, not motivating, unappealing and without incentive.

SMART standards not applied
Objectives and goals insufficiently specific, measurable, attainable and realistic.

Insufficient resources available
Lack of funding, people, expertise.

No sense of need for strategic planning
Resistance to change, short term policy, no vision.

Weak leadership
Lack of control, monitoring, support, initiatives, action, seniority. Reactive, passive attitude.

Overload
Insufficient prioritization, too many and too broad goals, lack of proper capacity and skills.

Cast in stone plan
Lack of flexibility and dynamism.

3 Success factors (see also Chapter 2, first steps)

Consensus
Are all involved parties in favour of the planning process and its envisaged objectives and goals?

Commitment
Is everybody prepared to actively participate in the process and to accept all eventual consequences?

Concentration
Is everybody prepared to reprioritize agendas in favour of the process?
Communication
Is the process integrated in the communication strategy?

Capacity
Is there enough trained staff to do the job?

Dedication
Is there enough ownership at all levels?

Skills
Is staff competent to do the job?

SMART
Are all identified objectives and goals really SMART?

Support
Do the process and people involved have support at all levels of the association?

Motivation
Is the process, its environment and the leadership motivating and encouraging?

Mandate
Are tasks, responsibilities and instrument sufficiently and clearly allocated to the right people?

Resources
Are there enough resources allocated for the process and its implementation?
10 Strategic planning glossary

This practical guide shows some commonly used terms, statements, descriptions and definitions. To help you interpret them correctly, they are listed below with explanatory notes. The advised interpretation of some statements is specifically related to LGAs. It is recommended that this be kept up to date with new relevant terminology.

**Account:** Short term (annual) report on actual revenues, expenses and financial results.

**Budget:** Short term (annual) forecast of income and expenses.

**Core business:** Basic LGA activities like advocacy and representation, normally financed by membership fees.

**Deadline:** The ultimate moment for the completion of a given activity.

**Financial Plan:** Long term financial strategy, integral part of Strategic Plan.

**Goal:** Statement of where the association wants to go on a given issue.

**Input:** Effort and resources invested, in terms of money, time, or people.

**LGA:** Local Government Association.

**Membership:** The collective members of the association.

**Milestone:** A particular identifiable achievement in the process of achievement of goals, a monitoring instrument.

**Mission:** Statement of where the association wants to be within a certain period of time (3-5 years).

**Objective:** Result sought in the process of achievement of goals.

**Outcome:** Qualitative result.

**Output:** Quantitative achievement.
Ownership: The combined responsibility for and dedication to a process or outcome.

Paid services: Non-core services with a more operational character, normally provided at extra cost, thus not membership fee-financed.

Performance indicators: Parameters to quantify actions.

Planning: Full set of steps to translate strategy into practice.

Process owner: Member of board or staff responsible for a given process.

SMART principles: Criteria for well-written strategic objectives.

Strategy: The way to achieve the main goals of the association.

SWOT analysis: Analysis and assessment of Strengths, Weaknesses, Opportunities and Threats.

Target: Short-term quantitative or qualitative objective.

Timetable: Schedule of process.

Vision: Statement of the reason for being of the association.

Work plan: The annual programs of activities as allocated to the association's staff, needed to come to short term achievements.
11 Summary

Many books and guides on strategic planning have been produced. One of the similarities in strategic planning literature is that how to get the job done is less important than achieving the desired goals. This is another practical planning guide. Its added value is that it specifically focuses on strategic planning within Local Government Associations. Summarizing it can best be done by referring to Guy S. Saffold, a university administrator and author of the insightful and practical book ‘Strategic Planning for Christian Organizations’. His thinking coincides with many planning aspects as described in this guide. It can be translated into the following practical observations.

• Strategic planning is an attempt to let future priorities have an influence on today’s activities.
• Strategic thinking is more important than strategic planning.
• Strategic planning has the potential to generate conflict, to waste time and to consume resources for relatively little return.
• The ultimate goal of strategic planning is not to develop plans but to stimulate forward-thinking and action.²

Based on our experiences we would like to add some last points:
• Strategic planning is a dynamic and flexible process that never ends.
• Strategic planning aims at organizational changes and thus can have a dramatic impact on LGA structure and policy
• Strategic planning aims at improving people’s performance in order to improve performance of LGAs.
• Daily routine and the lack of strong operational leadership are major threats to strategic planning.

² Guy S. Saffold, Strategic Planning for Christian Organizations (Fayetteville, AR: Accrediting Associations of Bible Colleges, 1994).
**VNG International**

International co-operation agency of the Association of Netherlands municipalities

*Committed to strengthening democratic local government worldwide*

The key task of VNG International is strengthening democratic local government. It is a small, dynamic company annually managing some 60 plus projects and programmes with a focus on decentralisation and capacity-building. VNG International supports local governments, their associations and training institutions in developing countries and countries in transition.

**VNG International’s approach**

For VNG International, strengthening democratic local government means working on three inter-related levels:

- the individual level – training and motivating municipal staff and elected representatives;
- the organisational level – advising local authorities on their organisation structures and working methods;
- the institutional level – adapting financial relations, laws and institutional arrangements.

The VNG International approach builds on:

- Colleague-to-colleague co-operation
- Institutional linking
United Cities and Local Governments

Founded in May 2004, United Cities and Local Governments (UCLG) is the united voice and world advocate of democratic local self-government. UCLG is the largest local government organisation in the world and is based in Barcelona, Spain.

Representing over half the world’s population, the city and association members of UCLG are present in 127 UN Member States across seven world regions – Africa, Asia-Pacific, Europe, Euro-Asia, Middle East and West Asia, Latin America and North America. Its membership includes 1000 leading cities and virtually all the existing national Local Government Associations in the world.

Worldwide, the capacity, resources, influence and range of activities of Local Government Associations vary enormously. Local Government Associations have a key role to play in development, decentralisation and effective governance, but often need strengthening, before they can effectively support their individual local government members, or liaise well with central government, donors and other actors.

Building on the Association Capacity Building (ACB) concept pioneered by the global network of local governments, UCLG works to strengthen the capacity of the associations within its network through lobbying, encouraging cooperation and exchange of experience between its members, and through working with its members and partners on initiatives such as the VNG Association Capacity Building programme for Local Government Associations.

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