



# **STRATEGIC GOVERNANCE:**

## **HOW MUNICIPALITIES CAN ACHIEVE A DESIRED FUTURE**

**JANUARY 2019**

## INTRODUCTION

The role of strategic governance is to help leaders and citizens create a desired future – intentionally. Key aspects of the process are to involve all stakeholders in envisioning that future, then to manage the present so that decisions and efforts made each day move the community towards that vision.

People at all levels of local government make decisions every day that have strategic consequences. So, it is essential that everyone in government be involved and engaged in shaping future directions to ensure that their decision-making serves those priorities. This happens when communities deploy strategic thinking and leadership skills for use by all government personnel.

## STRATEGIC GOVERNANCE DEFINED

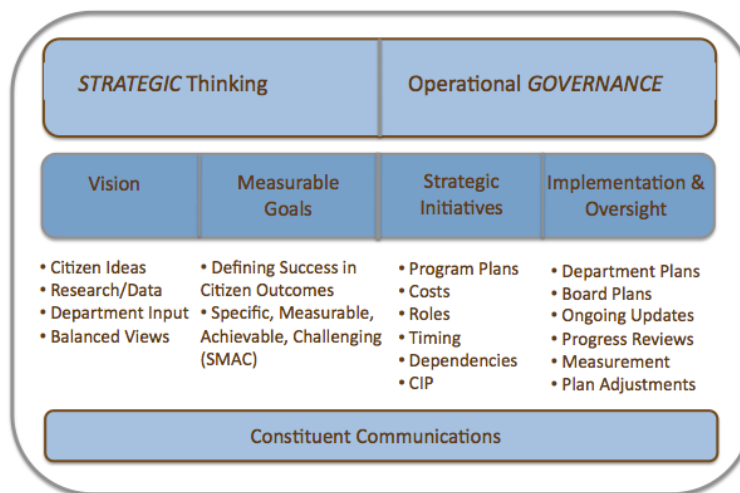


Strategic governance consists of two separate but related ongoing efforts. The first has to do with engaging citizens and officials in codifying what matters most to their community and in envisioning a desired future in which those values and outcomes are attained and preserved. This is strategic thinking; it aims to help people decide *what to achieve*.

The second activity involves managing efforts to make that vision a reality. It entails framing and managing strategic initiatives as well as the day-to-day efforts of running a municipality. This is operational governance; it aims at ensuring that the right things get done at the right time for the right expenditure of tax dollars, i.e., *how to achieve it*.

### A Framework for Strategic Governance

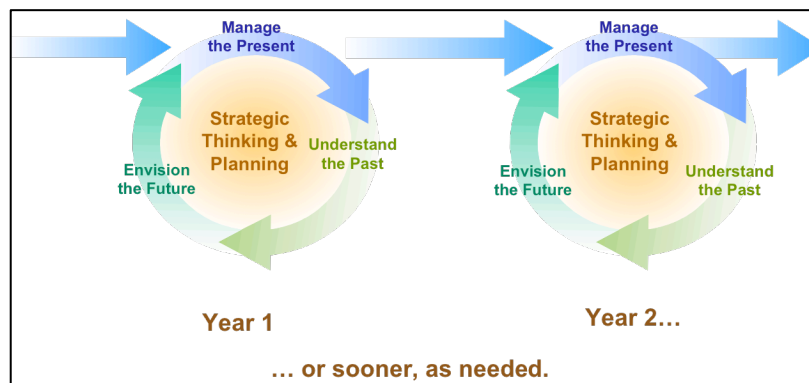
Engaging Citizens to Envision and Achieve a Desired Future



Without both, a municipality or school system will fail to serve its citizens fully. If a community successfully envisions a desired future but fails to take relevant steps to make it a reality, it won't happen. Conversely, if municipal officials simply forge ahead – perhaps "doing what's always been done" – without a clear framework for what they're trying to accomplish, there is little likelihood they will successfully meet citizen expectations. As the old adage says, "If you don't know where you're going, any road will get you there."

## THE CYCLE OF STRATEGIC GOVERNANCE

Strategic governance enables communities to understand their past, envision the future, and manage the present as a way to get there.



No plan, however strategic, can remain static, because we live in a constantly changing world. So this process calls for plans to be refreshed at least annually to serve as relevant and useful guideposts. Also, plans are more likely to be achieved if people believe they are realistic and match the reality they deal with daily.

## A STEP-BY-STEP APPROACH

The process of doing strategic thinking and operational governance involves 10 activities and their associated work products, each of which can be accomplished by people who may not have done extensive strategic planning in the past. These phased steps create a framework through which department heads, selectmen, educators, and other town officials can structure their thinking and efforts for maximum success. The work products from these activities include:

1. A defined **work plan** and timeline for the overall strategic governance process.
2. A set of **historical dashboards** that shows trends in service demand, spending, staffing, key initiatives, etc. for each department.
3. An **environmental scan** to anticipate key factors from within the town and from other sources (federal and state regulations, professional regulations and new requirements, etc.) that might well have an impact on community needs and departmental operations.
4. A **SWOT analysis** of external opportunities and threats that might impact each department along with departmental strengths and weaknesses that should be better managed.
5. A dashboard reflecting current **key performance measures** for each department.

6. A **vision** for where each department should be heading and what it should achieve over a specified time period.
7. A set of **strategic initiatives** that would be required to fulfill that vision (including those that would be required by other departments to support their efforts).
8. A **vision dashboard** reflecting all the outcomes each department wants to achieve over a multi-year planning period.
9. Strategic **plans with associated budgets** for those years.
10. A strategic **plan presentation and document** covering all these elements that are publicly presented to and discussed with the selectmen and shared with citizens.

## WHAT EACH ACTIVITY ACHIEVES

Each of the 10 activities plays a specific role in ensuring that the past remains a reference point for the future, and that current-day activities remain in service to what a community wants for its future.

<b>Understand the Past</b>	Enhanced understanding of historical performance, drivers of success, key environmental trends, critical issues.
<b>Envision the Future</b>	Clarified mission, values, SWOTs. Future scenarios with implications. Vision of desired future. Internal consensus around a coherent set of strategic initiatives, programs, goals.
<b>Manage the Present</b>	Set of tools (dashboard metrics, strategic budgets) to manage strategic initiatives and continually assess progress toward goals.

## CREATING A VIRTUOUS CYCLE

Strategic governance creates a virtuous cycle in which everyone sees and contributes to shaping the future of the community. By starting with the creation of departmental plans, people gain a sense of what it may take to keep the community running and of what additional resources might be available for broader investments.



The plans also help government officials frame the issues affecting the quality of life of their community. These, in turn, set the stage for dialogue and priority setting with residents who help frame and support multi-year perspectives rather than focusing on the next annual budget.

### **THE HALLMARKS OF THIS APPROACH**

Strategic governance differs from more traditional planning and management efforts because it is:

- Rooted in meaningful data.
- Promotes strategic thinking, not just planning.
- Reinforces the municipality's culture and values.
- Empowers all involved to do their best.
- Links the strategic with the operational and measurable.
- Provides a repeatable process that communities can learn to do on their own.

### **PLANNING AND LEADERSHIP FOR THE LONGER TERM**

Department heads, selectmen, and other officials can use strategic governance as the basis for multi-year initiatives, operational plans, and budgets. In public meetings, they can use tools to debate tradeoffs and clarify and (tax) impacts of various strategic scenarios in real time for everyone to see. They can also communicate and engage with residents so that everyone understands the process, the reasons for it, and the rationale for goal setting and decision making.

Most important, government officials can measure and report on progress towards all goals, which are stated as citizen-oriented outcomes, so that residents can clearly see how they benefit from initiatives and investments.

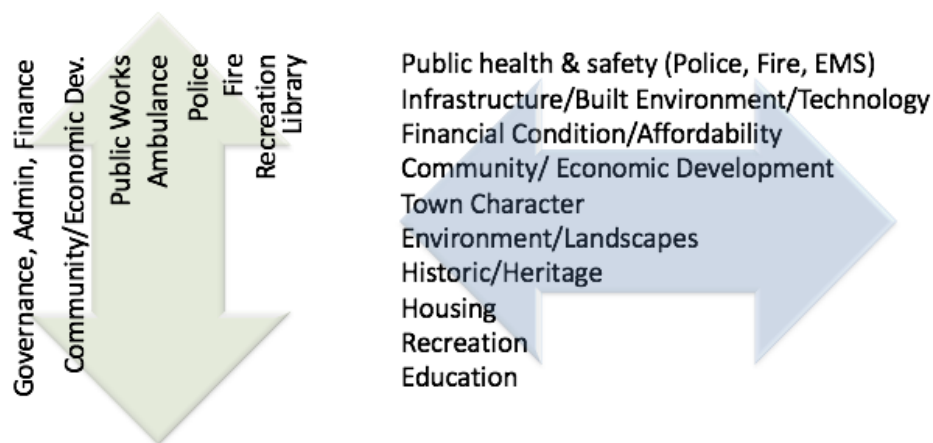
## KEEPING PLANS RELEVANT – ANNUALLY

All plans are refreshed annually to account for unanticipated changes either from within the community or from outside. Refreshed plans are presented annually to the selectmen, who use these plans as the basis for their annual operational planning and budgeting and for explaining to residents their intent and the elements that comprise the proposed budget.

(To see how Amherst NH has successfully used strategic governance since 2013, see the case study at [strat-gov.com](http://strat-gov.com).)

## VERTICAL AND HORIZONTAL PERSPECTIVES

The strategic plans of the various town departments reflect the *vertical* perspectives of functional departments into which town government is organized to do work. But there are broader, more *horizontal*, categories that, together, shape the quality of life for residents.



Officials and residents can use these broader strategic priorities as the basis for their priority-setting and longer-term decision making.

## IMPROVING MASTER PLANNING AND CAPITAL IMPROVEMENTS PLANNING IN THE PROCESS

Strategic governance can also greatly enhance a community's master planning efforts. When a community is clear about its strategic goals, its Planning Board inherits a broad framework to use as a basis for its land use planning. Too often, planning boards struggle to get significant public engagement to define their community's long-term goals, which makes creating an appropriate multi-year land use plan that much harder. Most planning boards have neither the skills nor staff to tackle strategic thinking on their own. This often leads to master plans that fall short of their potential usefulness and the dollars invested in the process.

The strategic governance process helps communities frame the larger strategic goals, thereby enabling the Planning Boards to focus on their strengths in land use planning and aligning ordinances and project implementation with those long-term plans in a well-timed fashion. It also aids in thinking through the priorities and timing of capital expenditures because they are tied closely to clearly framed strategic initiatives.

## **A FRAMEWORK FOR SMART DECISION MAKING**

Strategic governance helps create a context for annual planning and budgeting. Everyone in town government knows what longer-term goals they're working for, so the plans and budgets for each year are driven by how much progress will be made towards those goals.

This agreed-upon framework for the future also helps dull individual agendas, because there is clear consensus regarding the goals to be achieved. It also empowers more distributed and effective decision making throughout municipal government, because everyone knows the goals, the initiatives, and the budgets that have been approved by the electorate – all of which can enhance their daily decision making. This keeps activities and progress aligned with the broader goals and citizen expectations.

Ultimately, the power of strategic governance is in engaging citizens and municipal officials in a collaborative venture of attaining the future they want at a cost they can afford.