Serving the American Public:

Best Practices in Customer-Driven Strategic Planning

NATIONAL PERFORMANCE REVIEW

AL GORE
Vice President of the United States

Federal Benchmarking Consortium
Study Report

SERVING THE AMERICAN PUBLIC:

BEST PRACTICES IN CUSTOMER–DRIVEN STRATEGIC PLANNING

NATIONAL PERFORMANCE REVIEW

REVIEW AL GORE
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FEDERAL BENCHMARKING CONSORTIUM STUDY REPORT

FEBRUARY 1997

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STUDY PARTICIPANTS

BENCHMARKING STUDY PARTNERS

Ameritech
American Society for Quality
   Control
BancOne
Chevron
City of Phoenix

City of Sunnyvale
Commonwealth of Virginia
Corning
Dupont
Florida Power & Light
GTE

Intel
Johnson & Johnson
Motorola
Southern California Gas
Wisconsin Electric Power
Xerox

ACKNOWLEDGMENTS

BENCHMARKING STUDY SPONSORS

Wilett Bunton, National Performance Review

Dan Curtis, National Performance Review

BENCHMARKING STUDY TEAM LEADERS

James J. Cavanagh, U.S. Department of Energy

Dolores J. Livingston, U.S. Department of Energy

BENCHMARKING STUDY TEAM MEMBERS

Greg Arnold, Defense Mapping Agency
Ron Cheich, Internal Revenue Service
Stephen J. Dienstfrey, Department of Veterans Affairs
Jane Dion, National Highway Traffic Safety
   Administration
Tom Farrell, Coast Guard
Gary Glassman, Department of Justice
Richard Gudaitis, General Services Administration
Stuart Haggard, Department of Veterans Affairs
Marlene Lovelace, Bureau of Engraving and Printing

C.J. McAuliffe, Social Security Administration
Steve Moore, Department of Education
Frances Michalkewicz, Patent and Trademark Office
Robert O'Hara, Department of Transportation
Don Richardson, Department of Energy
Lisa Roth, Patent and Trademark Office
Orelious Walker, Department of the Treasury
Denise Wells, Department of the Navy
Gary Steinberg, National Aeronautics and Space
   Administration

EXECUTIVE SUMMARY

Strategic planning does not deal with future decisions. It deals with the futurity of present decisions. What we have to do today is to be ready for an uncertain tomorrow.

Peter F. Drucker,
Professor of Social Science and Management

In 1993, President Bill Clinton announced a governmentwide initiative to reinvent government called the National Performance Review. He also signed into law the Government Performance and Results Act of 1993, which requires federal agencies to develop strategic plans for how they will deliver high quality products and services to the American people. It was also in 1993 that President Clinton issued an Executive Order requiring federal agencies to determine from their customers the kind and quality of the services they want.

The team involved in this study first had to understand in-depth planning processes and performance in each of their own agencies. The next step was to identify those best-in-class organizations that excel at incorporating their customers' needs and expectations into their strategic planning process. The team members from different federal agencies then partnered with these leading-edge performers to understand why they are the best.

This report documents the team's findings and will serve as a useful tool for leaders and managers at all levels of government in adapting those best practices and formulas for success to governmental programs and operations, so that federal agencies can meet or exceed the best in customer-driven strategic planning.

The "best-in-class" organizations use aggressive and varied ways to locate and listen to the "Voice of the Customer." All of the organizations studied recognized the importance of timely, accurate, and complete information both from, and about, their customers. Indeed, virtually all of the benchmarking partners used wide arrays of both simple (e.g., point of service response cards) and sophisticated (e.g., technologist advisory panels) methods to gain insights into ways of improving their products and services for current customers, as well as ways to identify and develop new customers.

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Planning drives the budget. The strategic plans of the partners are used to run the organization and make resource allocation decisions. The strategic and business plans of the partner organizations are most often developed in parallel with the financial planning process. Strategic decisions are made about where the organization should be going and how to get there. Business plans and financial plans are then linked at the resource allocation stage.

Visions, values, and credos drive and direct the best-in-class performers. The study revealed that a growing number of the partners relied heavily on their core organizational values (i.e., the set of basic precepts that define what the organization is and what it stands for) to drive the organization. These guiding principles transcend time, market conditions, executive personalities, and planning assumptions. This core ideology provides the conceptual framework around which many large, diverse organizations align themselves, providing the cohesive, high-level framework directing the entire organization, as well as placing the boundaries for where it should *not* go. For example, one partner voiced a philosophy which said: "Service to customers comes first, service to employees second, and service to stockholders last." This did not mean that profitability was not important, just that it had to be considered as part of a slate of corporate ideals.

Senior leaders own their strategic planning processes. Clear, consistent, and visible involvement of senior executives in the creation and deployment of the strategic plan was a hallmark of the best-in-class organizations. All of the benchmarking partners' senior leaders were actively involved in the strategic planning process, both at the corporate level and throughout the business units. Several chief executive officers personally articulated the strategic direction to different levels of the organization.

Effective strategic planning benefits from a consistent and cohesively structured process employed across all levels of the organization. Regardless of the type of partner studied, or the maturity of the planning process, the partners agreed on the importance of a structured, well-understood planning process. Each of the study partners demonstrated an integrated approach to strategic planning that was linked "from corporate down to business unit, and across all business lines." There was a common understanding within each of the organizations as to how the process worked, what was expected at each level, and how organizational elements fit together.

Effective internal communication is a key to successful strategic planning. Each of the study partners recognized that, in addition to aggressively seeking out and listening to their customers, effective internal communication was necessary for successful development and deployment of strategic and business plans. Internal communication was seen as the linkage between planning and practice. The entire workforce has to fully understand its role in achieving success and what is expected throughout the process. Leadership's strategy must be clearly understood at all levels of the organization.

A sense of urgency pervades the customer-driven organization. The partners reported that there was an organizational vigor which accompanied their move to more aggressively adopt a customer focus. This impetus to improve generally came about either because of a cataclysmic event or a leadership commitment. In several organizations, the issue of survival galvanized the organization behind the development of a more customer-driven approach. In other organizations not facing issues of survival, an internally-driven change mandated by an executive-level commitment led to a greater focus on the customer.

Planning is a continuous process. In the vast majority of the organizations studied, planning was viewed as an *evergreen* process, one with no clear beginning and no clear end.

While plans were developed on a regular basis, it was the process of planning that was important, not the publication of the plan itself. The partners also viewed the planning process as flexible and dynamic. New information from customers, competitors, and market changes were factored into the planning process without "missing a beat." The strategic plan was less a product of a particular point in time and more an operationally useful document.

Organizational "capacity" must support strategic planning. Organizational capacity centered on people and processes. The "best-in-class" recognize that the commitment of their people to an organizational ideal is a necessary ingredient of success. Organizations thus need to consider staff capabilities and ensure that staffs have the necessary knowledge, skills, and tools for success. Our benchmarking partners have generally shifted their focus to better utilize their organizational capacity through the use of a team approach for problem solving or strategy setting at the business unit level and below.

Performance measurement, tied to incentives and compensation, is employed at all levels of the organization, with clearly assigned and well-understood accountability for results. Most of the partners linked performance evaluations and rewards to specific measures of success. This, they believed, sent a clear message as to what was important. Many of the partners had specific measures tied to customer satisfaction, service, and other organizational processes or goals. These measures were almost always different at different levels within the organization, but each was linked to overall organizational strategies. Most organizations tied executive bonuses to specific organizational or unit/division/team performance, and some applied negative incentives or sanctions for not meeting goals. Each partner organization clearly identified what it would take to determine success and made sure that all managers and employees understood what they were responsible for in achieving the organizational goals.

Culture change happens. In some cases, a culture change was precipitated by the implementation of a customer-driven strategic planning process; in other cases, it was the culture change that actually facilitated the accomplishment of the customer-driven planning process. In all cases, however, the culture changed. For effective customer-driven strategic planning organizations, the status quo is simply not an alternative.

Not an end, but a Beginning...

This report does not represent the end of the customer-driven strategic planning benchmarking study; rather, it creates a platform for a wide range of beginnings. The approaches identified in this report will come to life by being shared, debated, and implemented in the context of federal organizational realities. Then, where appropriate, they need to be used and improved upon. We urge leaders throughout the federal community to establish their own planning networks and working groups to share their own best practices and process improvements with each other. We also encourage continued communication between federal agencies and the private sector. We urge leaders to work together to create a planning process that works better and costs less for its customers, the American public.

Introduction

We are going to make the federal government customer friendly. A lot of people don't realize that the federal government has customers. We have customers. The American people.

Vice President Al Gore

Successful organizations, whether they are Fortune 500 companies, state or municipal governments, or one of the many federal departments or agencies, have recognized that developing customer focus is an absolute necessity. The importance of recognizing customers' desires, needs, and expectations in planning for the future cannot be overemphasized. Each of our best-in-class partners has recognized this and has taken active, even aggressive, steps to make sure that the customers are heard.

In the past, when federal agencies pondered their future, it was as often as not merely a budget exercise, planning to do what was done in the past — only with a higher price tag. Strategic planning may or may not have been done, and the concept of customers was rarely considered in preparing for the future. Even when it was considered, the information on customer wants and needs was likely to have been internally generated.

The American public has had little direct input into the planning of government — where it is going, and how it will provide the services it wants or to which it is entitled. It was, therefore, not surprising that between 1975 and 1995 public confidence in the operation of government declined to the point where barely one in five Americans felt confident that the federal government was consistently making the right choices suitable for his or her needs. Many Americans consider the government to have failed to understand their needs and wants. Some of the government's customers believe that this lack of understanding is simple, because "How could the government understand? No one has ever asked us!"

Through the National Performance Review, and the Government Performance and Results Act of 1993 and other landmark legislation and executive orders, the President and Vice President have challenged the leaders within government to reach out to their customers and understand what they really need and expect from our government. With this information, government agencies must strategically plan how they will deliver high quality products and services to the American people and their other customers through better, faster, and cheaper programs. Once their strategic goals are established, agency leaders must establish performance measures, for which they are fully accountable, to assess and ensure that their departments and agencies are indeed delivering on the promises made in their strategic plans.

No longer will it be commonplace for federal departments and agencies to develop their

visions and plans for the future without seeking out and incorporating the needs and expectations of their customers — the American people. Once President Clinton signed the Government Performance and Results Act in August 1993, strategic planning and listening to the "voice of the customer" were no longer just a good idea — it was the law. The act required all federal agencies to submit to Congress a strategic plan by September 30, 1997. But many of the federal agencies are not waiting. Twenty agencies have chosen to participate in one of several pilot programs authorized under the act and are already thinking and planning more strategically.

Spurred on by President Clinton's and Vice President Gore's book, Putting Customers First, and the Government Performance and Results Act, government agencies are hard at work identifying how some of the best organizations, both public and private, listen to the voices of their customers. As part of this consortium benchmarking study, 17 federal agencies have collaborated with 13 corporations, two cities, a state, and a nonprofit organization to identify the best practices, technologies, and skills that can be used by the government to conduct strategic planning.

WHAT IS STRATEGIC PLANNING?

The Consortium Team found a number of definitions of strategic planning, but for the purposes of this study strategic planning is defined by Goodstein, Nolan, & Pfeiffer as "a continuous and systematic process where the guiding members of an organization make decisions about its future, develop the necessary procedures and operations to achieve that future, and determine how success is to be measured."

To fully understand strategic planning, it is necessary to look at a few key words in the definition:

- **continuous** refers to the view that strategic planning must be an ongoing process, not merely an event to produce a plan;

- **systematic** recognizes that strategic planning must be a structured and deliberate effort, not something that happens on its own;

- **process** recognizes that one of the benefits of strategic planning is to undertake thinking strategically about the future and how to get there, which is much more than production of a document (e.g., a strategic plan);

- **guiding members** identifies not only senior corporate and business unit executives, but employees. (It also considers stakeholders and customers who may not make these decisions, but who affect the decisions being made.)

- **procedures and operations to achieve that future** means the full spectrum of actions and activities from aligning the organization behind clear long-term goals to putting in place organizational and personal incentives, allocating resources, and developing the workforce to achieve the desired outcomes; and

- **how success is to be measured** recognizes that strategic planning must use appropriate measures to determine whether the organization has achieved success.

Most importantly, as established in the tenets of the Government Performance and Results Act, strategic planning can be an opportunity to unify the management, employees, stakeholders and customers through a common understanding of where the organization is going, how everyone involved can work to that common purpose, and how we will measure our progress and levels of success.

WHERE DO CUSTOMERS FIT INTO THE STRATEGIC PLANNING PROCESS?

For many successful organizations, the voice of the customer drives their operations and charts the course for their future. Companies, as well as state and city governments, have begun focusing on customers as one of the key drivers in planning for the future. Witness the

comments from several best-in-class organizations:

> "All plans are hard-wired to the customer."

> "Wouldn't even think about developing a long-range plan without the input of citizens."

> "There are no bosses within the corporation except the customer."

> "Locking in on the customer is the way to survive in changing times."

WHAT DO YOU MEAN BY A "CUSTOMER-DRIVEN" ORGANIZATION?

For the purposes of this study, a "customer-driven organization" is defined as one that "maintains a focus on the needs and expectations, both spoken and unspoken, of customers, both present and future, in the creation and/or improvement of the product or service provided." Again, it will be useful to define specific terms used in this definition:

- **focus** means that the organization actively seeks to examine its products, services, and processes through the eyes of the customer;

- **needs and expectations** means that customers' preferences and requirements, as well as their standards for performance, timeliness, and cost, are all input to the planning for the products and services of the organization;

- **spoken and unspoken** means that not only must the expressed needs and expectations of the customers be listened to, but also that information developed independently "about" customers and their preferences, standards, and industry will be used as input to the organizational planning; and

- **present and future** recognizes that customers drive planning and operations, both to serve current customers and those who will be customers in the future.

We found in discussions with our partners, that being customer-driven does not mean blindly taking action based upon the results of customer input; it does mean, however, taking into consideration the needs and expectations of customers, both present and future. It means looking at what customers do — not just what they say — in determining their needs. In a practical sense, companies often cannot actually ask the customers what would satisfy their needs because the customers may not know what their needs really are or because the customers to be satisfied do not yet exist.

THE STUDY DESIGN

Benchmarking Partnership. Vice President Gore's National Performance Review chartered a series of benchmarking studies aimed at making government work better and cost less. The President's Management Council, made up of the Deputy Secretaries and their equivalents from the major federal departments and agencies, identified several topic areas of study needing focused inquiry to identify best practices. One of the highest priority topics was Customer-Driven Strategic Planning. Seventeen federal agencies joined together in an Interagency Consortium to study this topic.

STRATEGIC MANAGEMENT MODEL

The Interagency Consortium Team, assembled to perform the study, set out first to understand the various federal approaches to strategic planning. The team analyzed the strategic planning processes of the federal agencies represented in this consortium study, and created a composite process map depicting how the agencies of the federal government generally create their strategic plans, how they communicate them to their employees, how they measure success, how they incorporate results in a continuous improvement process, and how they involve their customers. (The figure on the following page depicts that model.)

Strategic Management Process Model
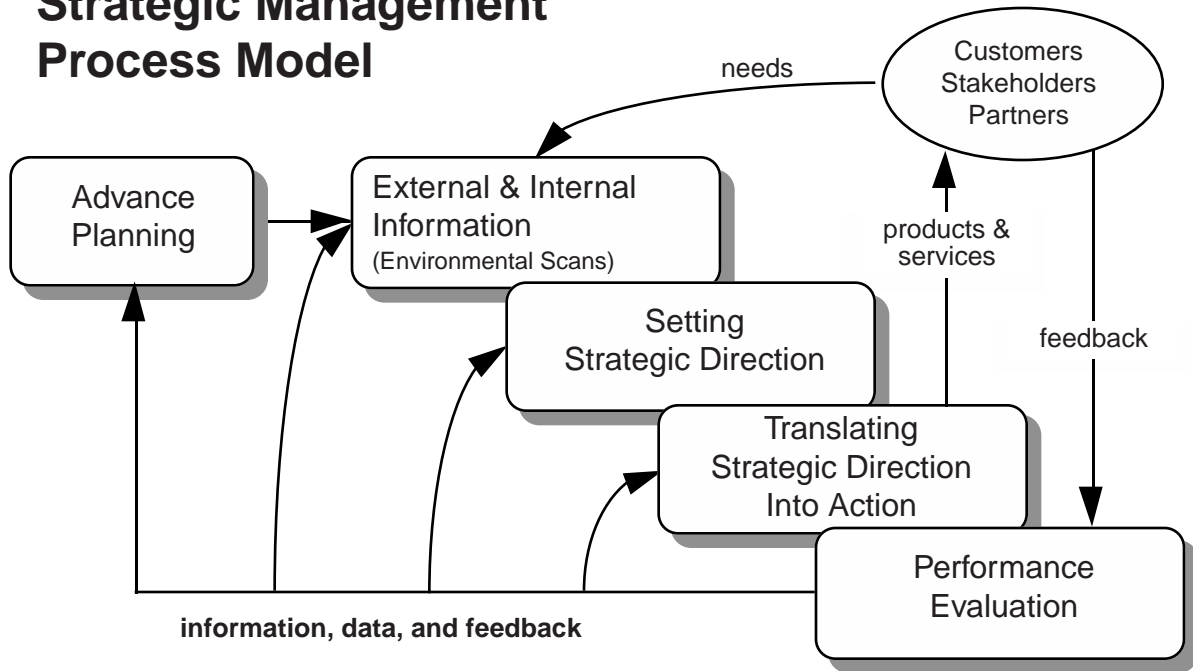
SELECTION OF PARTNERS

Research by the team resulted in the identification of 64 organizations considered best-in-class in the area of strategic planning. Since the focus of this study is customer-driven strategic planning, the team conducted structured interviews of each of the organizations to identify those that most effectively incorporated their customers' needs and expectations in the strategic planning process.

The team identified and prioritized the topic areas that would provide the most useful information, (e.g., future visioning, methods of involving customers, the handling of leadership changes, planning versus budgeting, communication, strategic direction implementation, compensation and rewards systems, performance measurement, and the use of results to drive continuous improvement (feedback)).

As a result of the interview and evaluation process, 17 partners were chosen based on their recognition as best-in-class in these areas, their availability, and other logistical factors. The partners selected represent a balance of public and private organizations, including a state government, two municipal governments, a nonprofit organization, and 13 major corporations (including three regulated or partially regulated utilities). Each of the partners participated in a structured, in-depth interview. As a result, the best practices, in each functional element of the process (shown in the composite process map set forth above), were identified and are discussed in this report.

Federal Agency Considerations For federal agencies, executive direction from the President, as well as the influences of Congressional funding and oversight, strongly impact the execution and effectiveness of strategic planning. To the extent that agency strategic planning processes change to adapt the best practices described in this report, the agencies' ability to effectively implement the vision and goals of the President will also be enhanced. In turn, a strong partnership between the Administration, Congress, and the agencies will improve the quality of strategic planning.

SUMMARY OF BEST PRACTICES INTEGRAL TO STRATEGIC PLANNING

NATIONAL PERFORMANCE REVIEW

AL GORE
Vice President of the United States

SECTION 1:
LEADERSHIP STRATEGIES

The very essence of leadership is that you have to have a vision. It's got to be a vision you articulate clearly and forcefully on every occasion.

Theodore Hesburgh,
President of the
University of Notre Dame
(1952-1987)

The managers and leaders of the best-in-class partner organizations recognized that their success, and the success of their organizations, was tied to the quality with which they served their customers. Achieving this success required all levels of the organization to operate effectively, starting at the top. Each of the partners demonstrated effective and involved leadership.

Leadership is employed through various means, including personal involvement in creating the organization's vision, its sense of urgency to drive performance, and its framework for success. The study identified the following four best practices of effective leaders among successful organizations:

PERSONAL INVOLVEMENT

Senior leadership is personally involved in all aspects of strategic planning. Effective leadership demands clear, consistent, and visible commitment by leaders throughout the organiza-

tion. Top leaders walk the talk. All of the benchmarking study partners demonstrated active involvement by their senior management, both at the corporate level and across their operating business units. The chief executive is nearly always an active member of a strategic management group, with other corporate leaders, taking the lead in creating the corporate vision and strategic assumptions for the entire organization.

In many of the organizations studied, the chief executives personally explain or cascade the strategic vision throughout the organization, through town hall meetings with employees and customers, executive workshops, video telecasts to all hands with real-time call-in capabilities, and other direct methods. One of the partners involves its senior executives by requiring each executive to conduct training on the planning process and to teach a class on strategic planning every quarter. Some other partners created senior leadership teams that were charged with resolving specific strategic issues identified through customer research.

VISION AND VALUES

Leadership is the capacity to translate vision into reality. Top leaders must clearly convey the organization's mission, strategic direction, and vision to employees and external customers. A clear, concise statement that communicates

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what the organization is and is not increases the likelihood for buy-in from both employees and external customers.

Many of the partners have held off-site retreats at the corporate level to establish or validate the organization's strategic intent, values and vision for the organization. These comprise much of the strategic direction used at the department/business unit level for creation of a strategic plan.

The department/business unit levels are empowered to develop individualized strategic plans to accomplish the corporate-level goals. Even the few partners that have a corporate-level strategic plan also have individual strategic plans developed at the department/ business unit level.

SENSE OF URGENCY

Organizations need to operate with a sense of urgency. It has been said that there are two types of companies — the quick and the dead. In discussions with our partners, we found a commonly held belief that the impetus to move, or to move more aggressively, to a greater customer focus was the result of one of two things: a cataclysmic event or a new-found leadership commitment. Both brought a very real sense of urgency to the organization.

In our research, and in our discussions with our partners, survival was identified as one of the driving forces behind the institution of a more customer-focused approach to planning. For several organizations, the marketplace dictated the change.

However, several of our partners, who were already successful and were not facing pressures to change, indicated that their change came about as a result of a leadership decision to integrate customers more effectively into the planning process. These leaders created their own sense of urgency for greater customer focus through the aggressive communication of this vision at all levels, through emphasis in strategic objectives, and through strong linkage of customer focus to executive and employee compensation.

FRAMEWORK FOR SUCCESS

Successful leadership requires not only the time, efforts, and personal abilities of chief executives, but the creation of a framework for success. Successful organizations recognize the importance not only of senior executive leadership, but of creating and sustaining an organizational leadership system that facilitates, develops, and rewards leaders at all levels of the organization. Leaders in all of our partner organizations were effective in aligning their organizations behind the clear, long-term goals, strategies, objectives, and measures that the organization embraced. The best organizations were structured and operated to encourage participation and innovation by all employees, regardless of level.

To achieve a successful strategic planning process, the partners' top management are increasingly using a variety of enabling technologies and other tools, such as scenario planning and war games, to support the planning process and to anticipate alternative futures to ensure customers' needs and expectations are fully addressed.

The study found that one of the key elements of success identified by the partners was empowerment of employees by top management. All of the partners stressed that to be successful as an organization, employees must fully participate in the process, make decisions, and be held accountable for results. "The more you empower and hold people accountable, the more you accomplish," said one partner. The culture has changed from one of entitlement to personal accountability. Top management must communicate that cultural shift to employees, while at the same time demonstrating the employees' value to the organization.

The partners have recognized the need to ensure that employees have the proper tools and access to needed training. Each of the partners used training to support the creation, deployment, and results of their planning.

The majority of our partners recognized the power of sending a message to their organizations and employees regarding what

was important by formally linking executive compensation to organizational performance, as well as judging individual performance by the achievement of strategic objectives. In one case, managers could not only earn 2-10 percent of salary in annual bonuses, but could lose up to 2.5 percent of annual salary for not meeting goals.

Several partners have tied rewards (e.g., 10 percent of compensation) to a customer value-added index, which measures the level of customer satisfaction. One of the partners stated, "Performance management really changed the culture. When managers were held accountable for meeting service goals rather than meeting rules, things changed."

SECTION 2:
COMMUNICATION

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Don't hide your strategy under a bushel. Communicate it throughout your company. Make it all pervasive and let it set a tone and a character to your organization.

Joel E. Ross,
American Author
and Management Expert

Communication is the lifeblood of successful strategic planning. It does not replace the need for vision and values or well-developed structure and deployment; it makes these things more successful.

It was clear from our partners that communication had to be a multidirectional dialogue, running top-down and bottom-up, and operating horizontally across the organization. It has to flow freely from inside the organization out and from outside in. All of our partners considered communication to be very important at all levels of the organization and in all stages of the planning process.

Effective communication in the development and deployment of the strategic plan is thought to be one of the hallmarks of successful companies. We found it to be a common attribute among our partners.

EXTERNAL COMMUNICATION: VOICE OF THE CUSTOMER

We would not even think about doing strategic planning without input from the customer.

A Benchmarking Partner

Several chief executives and senior managers from the best organizations had established formal relationships with customers to better understand their needs and expectations to be able to include these needs in their visioning. The employee having direct interface with the customer also feeds customer requirements up the chain for inclusion in the strategic plan. The most common methods our partners used to communicate with their customers were surveys, focus groups, comment cards, and one-on-one meetings.

Information about the needs of customers, both current and future, were also communicated to organizations through a variety of indirect and third party mechanisms. Several of the partners used standing or ad hoc advisory groups to garner insight into the needs of customers from a professional or technical standpoint. These groups were made up of technologists, futurists, suppliers, market and industry analysts, and other professional experts.

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One of the partners asked its customers, "What do you think we should consider in our strategic plan and where should we be going?" It also asked employees, "What do you think are the issues top management should consider in developing the strategic plan?" This organization found that customers provide input for the future, whereas employees provide input for the present. Together, the responses paint a more complete picture.

Focus groups were used by several of the partners to seek input from customers. Group members were usually selected at random from a general population; however, in some circumstances it was more appropriate to select randomly from within specific user groups. It was common practice for outside consultants to assist with focus groups.

Representatives from one of the public sector organizations studied stated that its citizens know exactly the values received for their tax dollars. The city plans and budgets for results and has a sophisticated database to document the cost of each desired result. It uses a variety of methods to communicate those activities and results to the citizenry, including a quarterly report.

The partners recognized that, as their organizations became best-in-class, their attitude toward external communications changed. Leading-edge organizations seek input and feedback from everyone who touches their business, especially their key customers and suppliers. One best-in-class organization asked its customers for actionable items needing focus to continuously improve their performance. Those items were then incorporated into the next strategic plan.

The consortium team was told by the benchmarking partners that only through continuous external communications can an organization determine its successful status in the marketplace. Those communications need to be on the front line where employees are working with customers and suppliers, as well as through top management meetings within their competitive environment. Strategic planning can no longer be done in a vacuum by a best-in-class organization.

INTERNAL COMMUNICATION

Communication within an organization is a critical success factor. This belief was expressed in one form or another by each of the partners. The fuzzier the goals, the more chaos in an organization; the more clearly goals are communicated, the easier it is for employees to decide what needs to be accomplished. If employees are part of the process, they will accept it. If they know there is no employee participation, it doesn't matter how good the plan, it will not work.

Communication came in a wide variety of ways, both personal and electronic. The partners frequently communicated with their employees electronically through bulletins, e-mail and voice mail. Personal communications were achieved through a combination of face-to-face conversations, business update meetings, focus groups, and town hall meetings. Interactive televideo hookups are made to remote locations. Top management discusses where the organization is going and how each employee fits in. Employee surveys, trends, and resulting strategic plan changes are shared with all employees. Employees are encouraged to participate in an open dialogue.

While there was a great deal of electronic communication, the partners agreed that it was of vital importance to the success of an organization for managers to walk the talk and to interact personally with employees at all levels. Management communicated the what, and employees communicated the how. The consortium team heard such statements as "no more secrets," "employees are entitled to know," and "make sure everything is open." One partner stated that while there is the risk of people leaving the company and taking the information with them to their new jobs, it is less costly than the costs associated with low morale.

The organizations studied found that it was extremely important to keep organizational objectives in front of employees in several different formats, both visual and verbal. Another echoed that sentiment by stating that "if you don't get buy-in, you don't have a plan." If those responsible for the achievement of the organiza-

tional objectives do not understand and buy into the accomplishment of those objectives, an organization will not be successful.

The essence of a well-communicated and understood strategic plan was what one partner called its "elevator speech." All employees should be able to tell the mission, vision, and values of their organization in the time it takes to ride the elevator from the first to the fourth floors. It was felt that this level of understanding was key to the organization's success. The same organization stated that "what is on the workforce's mind is what gets done." This organization found that 88 percent of the employees in this organization saw personal linkage to the strategic plan.

One of the partners held focus groups with over 1,000 of its employees and came up with 1,900 suggestions for the future, which were ultimately condensed into seven statements addressing the organization's vision and values. At this best-in-class organization, employees are surveyed annually to test the continued relevance of these value statements.

Even when communication has been effective, not all employees will accept the process. Several of the partners said they were concerned with the employees who bought into the process and didn't worry about the few who did not. Either peer pressure would bring those people along or they would eventually leave the organization.

If the floor level people can tell how they relate to the corporate plan, and what their metrics are, and how they impact it, they know about the strategic plan, and you know you've been successful.

A Benchmarking Partner

SUMMARY OF BEST PRACTICES IN DEVELOPING STRATEGIC PLANS

NATIONAL

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Section 3:
Advance Planning and Preparation

The better the process is defined and understood, the more likely the potential for sucess.

A Benchmarking Partner

The majority of best practice organizations examined in this study have been involved in strategic planning for a number of years. However, we found that there was general agreement among the partners that, regardless of whether an organization has a very mature planning process or is relatively inexperienced, it is important to develop a solid planning structure or framework before beginning.

Virtually all our partner organizations executed planning as an *evergreen* process, (i.e., a continuous process with no clear beginning or end). Also, the planning process was not a linear process; many activities occurred simultaneously. Additionally, with all of these organizations, the planning structure itself was considered a candidate for continual revision if it failed to meet, or interfered with, the needs of the organization.

Planning Process Formulation

Effective planning requires a structured, cohesive process. There are several key issues to be addressed when developing an organizational planning process. They have been addressed and resolved in one form or another in every organization the team interviewed. They are expressed here in the following set of questions:

- Who is the strategic planning process owner and how much commitment is there to strategic planning?

- Who will execute the planning process in the organization?

- How will customers and other stakeholders be represented in the planning process?

- What are the strategic planning and business planning horizons?

- What information is needed for a successful planning process and who will be responsible for developing and managing it?

- What are the expected outcomes or results to be achieved?

- How do we define success and how will we know when we get there?

- Who is going to be responsible for deployment and performance, and who will help, and in what ways?

- What resources (e.g., money, people, or other inputs) exist to enable the process?

There are many different and correct answers to these questions, and the right ones will be dictated by the realities of the individual situation. In other words, there is no single set of

right answers on how to prepare and plan to develop and deploy an organization's strategic planning process. However, these are the types of questions that must be asked and answered in the context of the organization. Taken together, they will dictate the structure and implementation of a successful strategic planning process.

Successful Practices Noted

While there is no single set of right answers to the above questions, certain common practices among the partners emerged from the study that deserve consideration in the advance planning process. They include the following:

- The process owner for most of the organizations we studied was at the top level of the organization (i.e., the CEO and other top-level executives).

- The planning process was top down, led by senior executives and pushed down until it permeated the entire organization. Implementation was bottom up (i.e., the business units were responsible for carrying out the plans and achieving the desired goals).

- Strategic planning membership was addressed in a number of ways: a centralized or core planning group in the headquarters, decentralized planning at the business unit level, or occasionally outside consultants to assist in the development and execution of the organization's strategic plan.

- The strategic planning horizons varied: three years on the short end and up to 20 years or more for some of the far-reaching plans. Since the accuracy of forecasts deteriorates rapidly with time, a return on investment for long-range planning is small for all but those organizations with large, complex processes or very long-term programs. As an example, one of the agencies on the consortium team's strategic planning horizon is 25 years. Regardless of the strategic planning horizon, business plans were generally developed for a one- to two-year period.

- The process of business planning drove the budget process and was linked with it, usually at the resource allocation stage. The cycle for both was the same: usually calendar or fiscal year.

Section 4:
External and Internal Information

In every instance, we found that the best run companies stay as close to their customers as humanly possible.

Tom Peters,
American Author
and Motivator

Successful organizations recognize that strategic plans must be based on accurate, timely and complete information. Current and future customer requirements are the driving force behind the creation of strategic direction for the best-in-class organizations.

Our partners employed a vast array of both straight forward, common sense approaches, and complex, sophisticated approaches and methodologies to identify and understand their customers, their customers' businesses, and the marketplace or environment in which they operate. The greater the amount of information that can be effectively obtained from a variety of sources, the greater the opportunity for using this knowledge to effect improvement, institute change, or obtain a competitive advantage.

The gathering of external and internal data for the purpose of strategic planning is generally known as environmental scanning (i.e., the 360-degree gathering and analysis of information from a variety of sources on such matters as customers' needs and expectations, technology developments, marketplace dynam-

ics, demographics, politics, and societal trends). Many organizational planners saw this information as the key to the planning process.

Environmental scanning begins by first identifying potential sources of data that can impact business operations, both from outside and inside the organization; gathering the data; and analyzing the data to provide insight into customers, the industry, the organization, and its future. All of our partners gathered external and internal data continuously, and used that data as input to all facets of the planning process.

External Environment

Time and again, failures were attributed not to the lack of an internal capability per se, but to the inability of the organization to recognize and capitalize on the events transpiring outside its span of control. The external environmental scan consists of an assessment of the outside world in which the organization will operate over the planning horizon. The methods for forecasting this environment were as varied as the partners interviewed. As with the other pieces of the planning process, the critical factor was that the environmental scan was done; the particular technique used was of less importance.

At the external level, companies seek input from customers, partners, other stakeholders,

competitors, and sources of demographic and futuristic data.

- The most common data-gathering technique was customer feedback. Feedback from customers was captured in a variety of ways. The majority of the partners employed sophisticated market research to identify and obtain customer data. This research was both primary and secondary, and both qualitative and quantitative. Feedback was obtained through customer focus groups, customer usage and attitude surveys, supplier and partner surveys, and detailed telephone, mail, and personal interviews. In one case, thousands of customer surveys were mailed out each week. Another company maintained a detailed database containing all pertinent facts about its customers' requirements. Some companies sponsored industry forums and held focus group meetings, while others relied on market surveys, comment cards, sales contacts, phone questionnaires, and executive conversations.

- High-tech companies frequently looked outside the organization to futurists to help them envision tomorrow's world. Others assigned the work to senior company leaders who either did the evaluations themselves or with a team composed of people from inside and outside the organization. The conclusions and recommendations were then vetted during the planning offsite or similar forum.

- Another technique was to interview current customers to identify potential or unmet needs. Several partners maintained that, while current customers are not necessarily the best source of future product and service identification, they do represent a portion of the target market.

- Some companies employed anthropologists and behavioral scientists to study how people work and perform tasks to better understand their needs.

- All industries also considered it essential to assess the competition's market position, plans and strength. Partners used terms such as competitive advantage analysis and competitive intelligence when referring to competition data, which was obtained from public records, trade shows, benchmarking, and an examination of the competitor's products, services, and customers. One organization surveyed its competitor's customers to determine preferences and identify opportunities for improvement.

While there emerged no single right way that the best-in-class identified and captured the information and insights needed to incorporate customer requirements into their strategic planning processes, all of the partners utilized whatever means necessary (some or all of the approaches identified above) to obtain that knowledge.

Internal Environment

Identifying customer needs is just the first step . . .leaders must then ask, "Can we meet those needs?" The internal environmental scan consists of an organization looking inward, assessing its own strengths and weaknesses. Effective strategic planning requires that the leadership be fully knowledgeable of its own corporate culture, capabilities, and human resource skills. This was generally accomplished in one of two ways:

- Assessment of culture, capabilities, and skills against current performance; or

- Assessment of culture, capabilities, and skills against a process standard.

Assessment against current performance. Performance assessments were supported by direct and indirect customer feedback. This method was used by organizations where the present suite of products and services was expected to remain relatively stable over time. The result is improvements to current operations with respect to the existing customer base.

One governmental organization used its customers (the citizens of the community) to

perform the environmental scans. The result was a vision of the future driven by increased satisfaction against current levels of performance.

Another conducted focus groups with customers to discuss the organization's process for providing a particular service (for example, the number, location, and standard operating procedures for the stations of the local fire department). In these instances, the how is as important as the what to the customer. The result is customer-driven process improvement.

Assessment against process standard.

Process assessments were done by organizations with a volatile product/service/customer base. Assessing processes against current performance standards results in improved operational capability independent of output.

The Malcolm Baldrige National Quality Award criteria were often used as the standard process assessment tool, although they were frequently modified to account for unique organizational culture.

Several companies used the Baldrige criterion for their annual internal environmental scan. Others, while they did not directly use Baldrige in the scanning process, nevertheless professed to manage by Baldrige, using the criteria to evaluate organizational performance.

Scenario Planning and War Gaming

Best-in-class organizations are going beyond traditional scanning in their attempts to think out of the box and establish stretch goals. With scenario planning or war gaming, the forecasts of several scans are merged to create a possible future scenario. The benefits of using this technique were described as freer thinking because it allows organizations to view events in others' shoes. (See the Setting Strategic Directions section.)

SECTION 5:
SETTING STRATEGIC DIRECTIONS

The more clear you are about what you want to accomplish, the easier it is for managers to decide the right thing to do.

A Benchmarking Partner

The pivotal point in the strategic management process is the point at which strategic direction (i.e., the organization's goals, objectives and strategies by which it plans to achieve its vision, mission and values) is set. It is at this point that an organization's knowledge and insights about its past, present, and future converge and a path is chosen around which the organization will align its activities and its resources.

Without strategic direction, an organization risks both internal misalignment and the likelihood that it will fail to respond to the vagaries of a changing world. Regardless of the structure of the planning process, its timing or its participants, every organization emphasized the central role that guidance from the highest levels plays in ensuring success.

THE WHO OF STRATEGIC DIRECTION

Everyone has to feel ownership of the strategic plan. The highest levels in an organization include both executives at the corporate level (generally analogous to the department level in the federal service) and the strategic business unit (generally analogous to the operating division or agency level in the federal service). Who did what in terms of setting direction varied from place to place. In some cases, for example, only corporate leaders set corporate strategy; in others, leaders of the business units came together with them to perform this activity. But there were three clear threads that ran through everyone's process.

The *first* was that, as discussed in the section on leadership, the top executive was always personally involved in establishing guidance at the corporate level.

The *second* was that guidance cascaded from top to bottom in the organization. This is not to say that strategic issues were not raised from lower organizational levels or that strategic thinking did not occur outside the hallowed halls of the executive suite. On the contrary, people throughout our partners' organizations were expected to think and act strategically. This meant that strategic guidance created at successively lower points in the organizational hierarchy was built upon and aligned with the guidance at higher levels. Managers at each level took their cue from the guidance of the managers above them.

The *third* thread was that strategic guidance was not developed as a staff product, but was the result of some of the most important thinking done by the leaders of the organizations themselves. In one company, the Chief

Executive Officer led a team composed of the senior vice president and other vice presidents dedicated to changing the culture of the organization. This change team, made up of six people, replaced a planning department that had been more than 100 people strong! Where planning staffs did exist (and this was nearly everywhere), they consisted of a few people who nurtured the process, facilitated its conduct, and acted as consultants to the managers charged with using it. Some organizations had an individual in a position that might be called generically Director of Strategy, who served as facilitator for the strategic planning process.

Finally, as an important part of setting strategic direction, chief executives also maintained contacts with leaders of other organizations to discuss emerging trends and establish mutually beneficial partnerships, alliances, joint ventures, and affinity groups. The use of external partnering in building a strategic direction has a direct correlation on setting standards, market access, and building core competencies. One partner stated that the increasing frequency of partnerships throughout industry "keeps you sharp and gives the customer a better product."

To ensure that customers receive the best products and services, more and more organizations are also establishing external alliances and partnerships (including participation on various commissions, consortiums, and industry associations) to take advantage of what others do best. Similarly, leaders at federal agencies can collaborate to break down stovepipes within the federal government and take advantage of expertise wherever it resides.

As an example, one of our partners used the requirements of stakeholder groups as an important component of its Strategy Development process. These stakeholders were: their suppliers, customers, employees, stakeholders, the public at large (in terms of the role the product plays in the infrastructure and integrity of a particular system), and the communities in which they operated.

According to this partner, business strategy is developed from four functional strategies. It is in the development and the integration of these functional strategies that form the overall business strategy where stakeholder needs are identified, articulated, and addressed. Specifically:

- The requirements of suppliers and the communities in which they operate are identified in its Manufacturing strategy.

- The requirements of customers are identified in its Commercial strategy.

- The requirements of employees are considered in its Human Resources strategy.

- The Commercial, Manufacturing, and Technology functional strategies collaboratively consider the requirements of the public as a stakeholder.

As functional strategies are integrated to form the business strategy, this partner tests for compatibility and linkage with one another, and tests for affordability, which is where the business performance requirements of shareholders are considered.

Several of the partners indicated that it was becoming increasingly necessary to develop constructive collaborations with other organizations with common interests and objectives that compliment the partners' own. These joint ventures are pursued externally, with alliances with dissimilar but complimentary industries, as well as internally with both cross-business unit ventures and, within their supply chain, with strategic partnerships with key suppliers. Recent literature has referred to this "symbiotic" cooperation as the "business eco-system."

THE WHAT OF STRATEGIC DIRECTION

You need a vision to make people get out of bed in the morning.
A Benchmarking Partner

For many organizations, setting strategic direction is strategic planning at the corporate level. In fact, many companies did not have a document called a strategic plan at the corporate level; their strategic planning was accomplished at the level of the business unit.

For the most part, organizations considered their planning process decentralized because the actual plans of the organization — the initiatives, milestones, schedules, resource allocations — did not exist at the corporate level.

In every organization strategic guidance was issued from the top. We found a variety of vehicles by which corporate leaders provide strategic guidance, and we heard a number of opinions about how to make these vehicles make a difference to the organization.

Every partner's organization had a mission statement; that is, a statement that identified the purpose for which the company was organized or the function that it now carried out in the business world. Whether the company paid much attention to the crafting of the statement itself was less important than the desire that everyone in the company know what the mission was and how they as individuals could help to accomplish it.

Still, some organizations focused strongly on the mission statement as a guiding factor —one partner cautioned that a mission statement longer than 17 words would not be remembered. It was clear that this company wanted its mission to be remembered by the people whose job was to achieve it.

We heard the term "vision" frequently, though the definition of vision was different to different people. For some, the vision was the result of the activity often called visioning, akin to futuring, scenario building, and other activities in which companies attempt to describe the future of the environment and the organization within it. For others, it was more a feeling-put-into-words about what the organization wanted to become in the future, stated more in terms of its value than its product.

In fact, one organization provided us with a document they referred to as their strategic plan, but it was actually entitled vision and values statement, and its contents spoke to how the employees would work together to provide value to their customers. Another organization believed that employees of today are looking for a higher purpose in the company they choose to work for, and a vision is the tool that an organization can use to energize employees.

A practical and, we believe, wise observation made by one organization was that a vision statement that does not invite disagreement is useless, because it will never drive action. As an illustration of this concept, the statement "to be the fastest in the race to space" is a nice thing to say; however, "to put a man on the moon by the end of the decade" is a challenge that will drive action.

Values are an important aspect of strategic guidance. In one corporation, the company's code of ethics — thought of as its credo — has been passed down through many generations of employees, and serves both to bond the many business units into a single-purpose organization and to facilitate the ability of employees at every level to make the right decision. In another, the way in which the company will do business is made explicit in a document that includes not only its mission and vision, but statements of the values it espouses related to teamwork, quality, and protection of the environment and community in which it operates. These values, along with clear metrics concerning financial results and customer satisfaction, serve as the organization-wide guideposts to decision making.

Most organizations had an underlying system of performance measurement that facilitated both the day-to-day management of the organization and the drive for strategic success (see the Performance Evaluation and Reporting section). But the basis for maintaining such a system rested in the overall goals set at the corporate level and, for nearly every organization, at the level of the strategic business unit or just below it. The number of goals varied from organization to organization; corporate or business unit-level goals ranged from three to nearly 100.

Our customer-driven focus led us to recognize an important trend. Particularly in non-public organizations, financial goals have traditionally enjoyed top billing. In our partners' organizations, however, while financial goals retained important billing, they were sharing space with differently-focused goals. For example, one company's #1 goal was stated as

being "#1 in stakeholder return"; but was actually more being "#1 in operating expense, customer satisfaction, public favorability, and employee attitude."

The final pieces of strategic guidance promulgated at the executive level are usually referred to as assumptions and strategies. For this discussion, assumptions are defined as environmental conditions that should be expected to exist in the future; for example, certain economic forecasts might be adopted as corporate assumptions to ensure that planning derives from the same base.

Strategies are, at the corporate level, broad statements of how objectives are to be accomplished, that guide planning by delimiting the boundaries in which plans may be created. They are not usually specific initiatives, although an initiative at one level may become the delimiting strategy for a lower-level planning organization. For example, companies may adopt a growth strategy or one of divestiture; they may choose to become international or to maintain a local focus.

It was in the area of strategies that we found some evidence of secrecy. For example, one company told us that its three overriding strategies are found in its annual report; but the next level of strategies, created at the business unit-level, is held close to help the company maintain its competitive advantage. And it was at the level of strategy building where even those few companies that involved their customers in the strategic process still drew the line to exclude them. Given the apparent move toward more openness (see the Communication section),we are eager to see what happens over time in this area.

THE HOW OF STRATEGIC DIRECTION

Creating strategic direction is the classic intersection of art and science.
                    A Benchmarking Partner

There is no formula by which successful strategic direction is crafted. It appears to emanate from a combination of brilliance, foresight, experience, expertise, and luck. Still, there are certain concepts and mechanics that can be used to help raise the probability of success.

As explained in the External and Internal Information section, a comprehensive environmental scan is invaluable. During our screening interview, we asked our prospective partners how they dealt with unanticipated change. More than one responded that there should be no unanticipated change for which a company is unprepared; i.e., most changes in the industry could have been foreseen several years ago, and many other changes — such as a change in top leadership — can be accommodated through well-designed processes and contingency plans.

Still, many organizations we visited cited the success of the Internet as a phenomenon that could not have been predicted — even among the more high-tech of our partners. So, more than doing an environmental scan in the classic sense, many of our partners used the concept of scenario planning to make a cohesive picture out of the environmental data they collected.

Scenario planning, defined here as an activity to identify possible alternative futures, supported the needs of organizations to describe the future state of their own organization and create strategies and plans to attain it. Scenario planning in its full and classic sense was pursued most closely in one organization, where four possible future scenarios — called Utopia, Global Reality, Most Probable, and Worst Case — were described and the factors common to all were identified and used to help leaders select new products, new projects, and new services . Other approaches were also used:

- One partner examined trends dating back 15 years, compared its past planning to events that occurred during that time to see how well it had planned, and then adjusted its planning assumptions where necessary as it looked into the future.

- Several partners used war games that enabled them to expand their visioning. Planners were assigned the roles of customers, competitors, and the company itself.

One company, though cautioning us that the future cannot be truly predicted, uses scenario planning as a way of helping it identify trigger points and leading indicators that help guide strategic change. The company uses an organizational-effectiveness model, designed to capture the variables that might change and help it create strategies for response.

We found war games to be a useful tool in several organizations. In some, the games helped them imagine future competitive conditions and create strategies for responding to competitive threats. In others, the games helped broaden thinking through the use of role-playing activities. The technique was being partially implemented by a number of partners, though at least one had consciously rejected it as a useful tool.

However, concerned that creating a vision of the future is not enough to inspire action, that organization now also writes what it calls a future business history. After describing the vision of the future using standard techniques, the company leaders essentially move backward from the future state to identify how the company must look at a given point in time if the desired future is to materialize. As its history moves back in time, the company ultimately describes the condition required today. The gap (and there is always a gap) between where the company really is and where it ought to be — not at some point in the future but today — creates the urgency that spurs strategic action.

Internal strengths and weaknesses, frequently considered in the context of core competencies, were an important consideration in the setting of strategy (as in its implementation; see Section 6). A key variable in the success of an organization is its capacity to follow chosen strategies. Therefore, the current capacity or expectation of future capacity can be a critical delimiter as strategies are being chosen. As one company put it, "By taking the position that quality will not be compromised, our customer base will change to reflect what we can do well." This sentiment was echoed by several of our partners.

Nearly every organization met to consider major strategic change at a specified time during the planning cycle, most often once a year. The most common scenario was an offsite meeting at which executives gathered to hold facilitated brainstorming sessions after having been prepped with updated external and internal information. This scenario, of course, had as many permutations as organizations with which we partnered. Still, the critical point is that, in every organization, leaders came together in a structured way to consciously consider the continuing utility of their current strategic guidance. This activity marked the first major decision point in the cyclical activity usually known as strategic planning.

Though scenario planning and other formal considerations of environmental change are useful, perhaps the most valuable activity in the development of strategic guidance is the continual scanning of environmental change that leads to regular consideration of strategic issues. This is the heart of what companies mean when they call their processes *evergreen.*

Though a particular time period is set aside for strategy-setting, most organizations that thrived did so because of their ability to see strategic issues as they are building and respond to them in a timely way. One company told us that its success in responding to unanticipated change has come from constant analysis of strategic issues. Top management meets every few weeks, not to try to predict the future but to review general trends and identify wild cards that might have a dramatic effect. Another depends upon the regular assessment of internal strengths and weaknesses. The benchmarking teams were told time and again that flexibility was key, and that changes in strategic direction do not wait for yearly publication dates.

The concept of *strategic dissonance* was discussed with the team by the company whose CEO helped coin the term. *Strategic dissonance* is seen as the misalignment between goals and unforseen or changing situations or management direction. Because alignment of action with a company's strategic direction is so critical to success, a strong message of misalignment within the organization serves as a flag to alert company strategists that the strategy they

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thought was the best may not be serving the organization well. *Strategic dissonance*, normally found at the point of interface between the organization and the real world, is thus an important tool for identifying the need for change, and the company that described it trains its managers to look for it and find out what it means to the organization.

Several companies gave us advice that is relevant to many parts of the strategic management process: "Do not drive with the rear-view mirror." They reminded us that what happened in the past does not necessarily indicate the future. And though tracking past performance is useful for some purposes, it can actually handicap leaders who are trying to envision the future. We were cautioned that success can sometimes lead to demise, and we have seen that a hallmark of our partners has been their willingness to change their strategies and their direction even in the face of what appears to be a winning strategy.

THE VOICE OF THE CUSTOMER IN SETTING STRATEGIC DIRECTION

Nowhere is the voice of the customer more important to heed than in the direction-setting process. Organizations of all kinds appear to have decided that maintaining an internal focus on excellence will not provide them with the advantage they need to succeed. This was nowhere more evident than in those organizations whose status as regulated industries has been or is being incrementally eroded. We heard from them that the challenge of deregulation was a major impetus in their new focus on the customer. In one company, we were told that "the voice of the customer is in the competition."

Hard evidence abounds that the needs of the customer drive strategic direction in organizations. One noteworthy item was the number of organizations that structured their businesses around customer groups. One company is organized in a matrix fashion with its strategic business units focused on product lines. However,

that same company also has regional organizations that cross product-line boundaries to ensure that the regional needs of customers were taken into account. As mentioned above, corporate and business-level goals and objectives very frequently included objectives related to customer satisfaction. And the vision statements we saw nearly always included the customer rather than the industry as a driver of the organizations' identity.

Specific strategies can, of course, also be linked to customer input. For example, one of the utility companies with whom we spoke told us about its new strategy to make *green energy* a choice for the consumer, a strategy that came directly from customer input. The strategy to provide solutions for customers rather than just products, which we saw in more than one place, is a strategy clearly focused on customer needs.

More than one organization reminded us that the customer is paramount. They analyzed the information they received both directly and indirectly to determine what would add value to the customer, and then used the customer-value-added dimension in creating and prioritizing their strategies and strategic initiatives. Even so, organizations recognized that giving total customer satisfaction means more than just responding to expressed needs. Even more so, the need to be first in the marketplace means that companies cannot wait to be told what customers want; they have to figure it out for themselves and earlier than anyone else.

An important activity in the direction-setting process is to understand who the customers of the organization really are. Organizations whose direct customer in the value chain was not the end consumer dealt directly with those customer groups whose satisfaction was most directly linked to their own success. That did not mean, however, that they could ignore the end consumer. In addition, it is in the best interest of organizations higher up on the value chain to help their customers define their own strategies; satisfying customers who go out of business because they failed to satisfy their customers is a losing strategy.

Section 6:

Implementation: Translating Strategic Direction Into Action

You have to formulate strategies so that they can be executed. You must try to avoid SPOTS at all costs—Strategic Plans On The Shelf!

A Benchmarking Partner

While setting strategic direction may be the pivotal activity in the strategic management process, all the direction in the world is useless if you don't use it to actually go somewhere. Translating direction into action is the step that makes strategic direction live, breathe, and move the organization.

Business Planning

The business planning process is carried out at the level of the business unit and levels below. During business planning, components identify their own strategies to support the strategies of the organization, identify initiatives (sometimes called substrategies) and supporting projects that will ensure that they can accomplish the performance objectives for which they are responsible, create the business case to support approval of the initiatives, and ultimately create plans to implement them, which include milestones, schedules, and resource requirements.

The horizon for business planning varies, though most plans are made on a yearly cycle for a three-to-five-year time period. One

company told us they do "thinking for five years, planning for six months" to emphasize the volatile nature of tactics. Another, in talking about the strategic planning process, reminded us that "Plans are not strategic; they are the result of strategic thinking."

Still, we believe they both would agree with those companies that told us that going beyond the one year limit to create longer term plans helps planners focus better on results and on what we should be doing rather than what we are doing now.

The process of planning for implementation is truly the bottom-up phase of the classic top-down, bottom-up model that we saw. Nearly everywhere, our partners told us that results were the focus of the people at the top; determining how to achieve those results was the responsibility of the people doing the work.

This active participation in the planning process of employees at all levels, along with some measure of employee participation in the setting of strategic direction (which we found in some organizations), helped our partners garner the best ideas of the workforce and helped create buy-in to the organization's direction.

Generally, people expected to achieve results were empowered to fulfill that responsibility. In those places where the planning process was more structured, it was easy to see the golden thread that tied the implementation plans at the operational level of the organization to those

successive layers above to support the goals and strategies established at the top. In these cases, ensuring alignment of business activities was facilitated by the structure. People empowered to make decisions about particular initiatives should have found it easier to understand the purpose that they pursued.

In less-structured organizations, alignment was no less important, however, and communications and compensation systems (described in the Communications and Performance Evaluation and Reporting sections) were used to ensure it. The fact that people were more or less empowered in this way (and in our partners' organizations the emphasis was on more) made the need for strong, clear strategic direction even more compelling, according to our partners. As one partner put it, "Empowerment is an important condition, but empowerment without focus is anarchy."

THE ROLE OF BUDGET IN PLANNING

For most people, talking about implementation immediately raises the specter of the budget process, without which the grandest of plans could never be implemented. One executive put it this way, "Budget is the cost of strategy"; reminding us that strategies cost money, and budgeting is a very real part of implementing the strategy of an organization. That partner was also echoing a sentiment we heard in nearly every other partner's shop, namely, that strategy drives the budget, not the other way around. Even the recognition that everything cannot be funded has not moved our partners from their conviction that the strategy setting and business planning processes should come together with the budget only at the point of resource allocation, where decisions must finally be made about what can and cannot be pursued. This theme was repeated in interview after interview. Executives told us of their difficulty in getting their colleagues to consider strategies and plans without budget numbers in front of them, but they assured us that they were evolving to that higher plane when such consideration would occur.

In fact, one company told us that putting the budget together was a perfunctory activity — once the plans had been made, budgeting was simply a matter of assigning numbers to them and adding them up. In one of the public organizations we partnered with, line-item budgeting had given way completely to a fully performance-oriented budget. "We don't even have position control anymore; what we have is results control!"

Even in the most tightly controlled fiscal environment (similar to that found in federal agencies), our partners emphasized that planning drives budgeting. [We note that while annual planning and budgeting cycles were the rule, two organizations were using a biennial budget process; and one company was attempting to install a three- or four-year budget cycle to support the move from a short-term-profit orientation to a long-term-strategy orientation.]

Still, we did not find any organizations among our partners that were able to fund every promising initiative they identified, regardless of how well it supported the company strategy or how much value it provided to the customer. We have already discussed, in the previous section of this report, how successful companies are developing schemes to balance competing interests as they establish corporate strategy. Perhaps the most difficult balancing act comes when fiscal reality intervenes and companies must prioritize competing strategies and initiatives.

Partners indicated the importance of ensuring the most value to the organization for every dollar. But the definition of value is different in different organizations. Every organization used different criteria in their prioritization activity. The most frequently cited examples were also the most familiar; net present value was used nearly everywhere. But other criteria were also used.

Level of value added for the customer was an important criterion, as was level of value added for the shareholder. Examples of others ran the gamut from precise to subjective: scalability, support for a core competency, look and feel. Value was considered both in terms of individual value and as part of a portfolio.

One partner rigorously calculated the estimated increase of economic value added by each line of business and project to the overall worth of the organization. The focus of strategic planning for it was the calculation and assessment of this economic value-based information.

Organizational capacity to achieve, an important criterion for choosing from among alternative strategies at the highest level, was also considered when making implementation decisions.

BUILDING ORGANIZATIONAL CAPACITY

Organizational capacity is centered on people and processes. It is the focus that is moving or has moved our partner organizations to use a team approach for problem solving or strategy setting at the business unit level and below. One company has moved almost entirely to being a team-based organization, with individual contributions to the team and team contributions to the unit being measurable and compensated dimensions of performance.

Organizational capacity concerns the commitment of people to an organizational ideal as a necessary ingredient of success. Focus on capacity forces companies to consider staff capabilities, and that the staffs have necessary knowledge, skills, and tools for success. One of our partners told us that no budget limits are set on training; the view is that whatever training is needed to achieve objectives should be provided. Several of our partner companies had experienced a restructuring effort in which employees were required to requalify for jobs within the company. This activity sent a powerful message to employees about their need to create value for the organization and also helped correct prior mistakes in matching people with positions.

Finally, it is this focus on organizational capacity that is supporting a new or continued emphasis on process management as a way of ensuring that inefficient and ineffective processes do not get in the way of the drive to success. Some of the organizations we met with had a strong process-assessment program in place; others recognized the value of managing processes and were beginning to move in that direction. The use of the Malcolm Baldrige National Award criteria was an indication of this focus. One company maintained a volume of best practices to help its business units be their best. Everything from strategic planning itself through cost-benefit analysis and specific, but generic, manufacturing processes was included in the manual; and though there was no company-wide requirement to conform to the best practices, their value led to consistent use throughout the organization.

SECTION 7:

PERFORMANCE EVALUATION AND REPORTING

If you don't keep score, you're only practicing.
Vince Lombardi,
American Football Coach
and Motivator

While the study has confirmed that there are vast similarities between strategic planning activities within the public and private sectors, it also confirmed that there are significant differences between performance measurements used by the two sectors for evaluating the performance of their planning processes.

Every private sector organization that we talked with indicated that its first-order metrics focused on sales, profit margins, market share and cost. Our industry partners stated that increased, or at least stable, performance in these key areas is paramount to organizational survival. Managers who performed well with respect to these metrics are rewarded, and at least one partner candidly stated that managers who do not perform in these areas are fired.

The quandary for the government is that, with few exceptions, it does not sell products, generate profits, or compete in a formal marketplace. Therefore, the government is generally unable to use fully the private sector's first-order metrics to plan and evaluate its performance.

The good news, however, is that the private sector does not rely solely on the aforementioned metrics to plan and evaluate performance. The private sector uses an array of performance metrics to assess performance and planning processes. Each government department and agency must address the challenge of developing its own specific performance metrics.

Performance Assessment
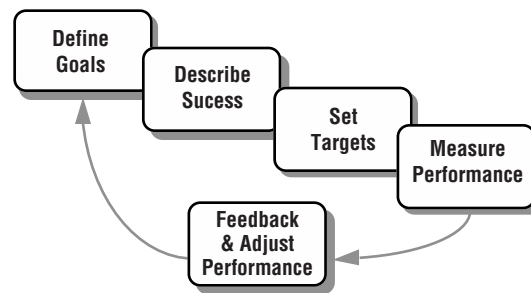
PERFORMANCE ASSESSMENT

Implied within every stage of the planning process is the ability to determine progress made toward the goals or targets set. This assessment ability is a monitoring function that simply tracks activities. It may be as simple as a to do list or as complicated as a plan of action with milestones. Also implied within the planning process is the ability to measure effectiveness of the actions taken in the conduct of the organization's business. These measures

are infinitely more sophisticated than the former. It is not surprising, therefore, to find "Information and Analysis" as one of the seven categories of the Malcolm Baldrige National Quality Award. It is by this type of measure that we benchmarked our partners' performance evaluation systems.

The best-in-class organizations studied did not view performance assessment as merely an end-of-year task, but as an integral part of the management process itself. The following section discusses three themes: measuring effectiveness of the organization's performance, selecting the tools to use to assess performance, and setting future goals and targets as a result of past performance.

The Significance of Performance Measurement

Your measures reflect what you consider important.
A Benchmarking Partner

All of the partners emphasized the significance of performance measurement, while recognizing it as one of the more difficult parts of the planning process. Frequently, measures arrived at after much struggle can take on a life of their own, driving the assessment for their own sake, often at the expense of progress toward the desired outcome. One partner advised, "Don't get stuck setting the measure; just improving is important."

Also common with the partners was the horizontal and vertical integration of measures. For example, the importance of having clear long-range goals in the setting of shorter term business planning targets. One partner stated that its desired outcomes five to ten years into the future keep it focused on what decisions to make now. Additionally, corporate measures are cascaded downward, to provide relevance and expectation of outcome at all levels of the organization.

Measuring Effectiveness of the Organization's Performance

He who stops being better stops being good.
Oliver Cromwell,
16th Century
English Military and
Political Leader

We queried our benchmarking partners about specific numbers and types of indicators used in performance assessment. There was a wide range in their responses. Some keep close tabs on as many as 100 quality measures monthly while others use as few as three to five monthly. Their responses seemed to cluster around the following broad categories.

- **Being better than the competition**. Leadership plays a significant role in determining performance targets. One company explained that its Chief Executive Officer sets the target for goals based on marketplace and/or shareholders' expectations. Another company believed that the ultimate performance measure was to meet the customer standards better than the competition, resulting in customers continuing to buy their products.

- **Customer satisfaction and customer loyalty**. Several partners spoke of the customer value chain that was defined as moving from customer satisfaction to customer loyalty. Another partner measures customer satisfaction in percentage; the baseline is 85%. They told us, "We've moved from service-needed objectives to outcomes." In other words, they stopped focusing on services or activities and started focusing on desired outcomes. One company asked its customers, "Would you recommend us to a friend?" Still another viewed customer orientation as a critical success factor.

- **Economic and People Value-Added**. In addition to customer value-added, some best-in-class organizations measured economic value-added (stockholders) and

people value-added (employees). One partner explained it as a "three-legged stool that focuses on stockholders, customers, and employees" as a catalyst to thinking more broadly.

Another identified six vision metrics: committed team, delighted customers, public favorability, competitive operating advantage, superior financial performance, and superior stockholder return.

- **Cost of Performance.** For the majority of the private sector partners, most of the first-order metrics revolved around sales, profit margins, market share, and cost indices. For each service provided, one partner tracked the number of hours, revenue against cost of operations, cost per participant hour, cost efficiency against budget targets, and performance tracked in relation to weighted service objectives. Another partner developed a one-page report for the corporation that is segmented into categories for market (customers), strategic, financial, human resources, public policy, and customer service/quality. A third said that cost-effectiveness is one of its four critical success factors.

- **Other.** Only one organization explicitly identified timeliness as a commonly measured characteristic. Another measured jobs created by new and existing foreign companies each year, visitor revenue generated each year, and net increase in export volume of manufactured goods and services. A third partner identified quality and speed/flexibility as factors critical to their success. And finally, a key indicator for one of the public sector partners was a balanced budget each year.

SELECTING THE TOOLS TO ASSESS PERFORMANCE

A variety of tools, techniques and methodologies are used by the partner companies to measure their organizations' performance.

- **Benchmarking**. A majority of the partners employ benchmarking as a tool to support the measurement of their own performance, their competitors' performance, and the best-in-class performance. (For the purposes of this study, benchmarking is defined as "the process of continuously comparing and measuring an organization against business leaders anywhere in the world to gain information which will help the organization take action to improve its performance source," American Productivity and Quality Center). Results are used to identify customer expectations for products and services, their market position vis-a-vis their competition, areas for improvement, and performance measures. At least two partners benchmarked outside their respective companies and industries.

- Balanced Scorecard. Several of our best-in-class partners had in place or were in the process of implementing evaluation schemes that moved from strictly financial measures to a more balanced assessment methodology. The scorecard measures organizational performance across a number of perspectives: financial, customers, internal business processes, and learning and growth. This balanced scorecard approach can be defined as a set of measures which employs a family of indicators for measuring performance across the organization that can be used to identify resources needed to achieve results desired.

- **Customer service standards.** One partner required customer service standards for all programs. It has a fully performance-oriented budget in which monies are appropriated for service standards, not line items. A partner noted that some standards are regulated while others are functional. This company has user service agreements with its big customers.

One partner shared the fact that its customer satisfaction standards are set through questionnaires and surveys. In each of the surveys, there is a family of questions built around the

products, the delivery system, marketing, technical service, and price value. It tries to determine how well it is doing in each area and what factors are the most important. Still another partner recognized that the "voice of the customer is now in the competition" so their competitive servicing strategy includes what the customers want and also what level of service competitors provide. It looks at the core processes from the customer's perspective. From there, it develops measures and targets. Finally, we heard from several of our partners that indicators result from analysis of primary customers, products provided to them, and a discussion in customer terms of how they measure success.

- **Management by Baldrige.** For many of the partners, the Baldrige criteria provided a framework for managing the entire organization. They used the criteria in their performance measurements system and had so fully integrated it into everything they did, that it was "difficult to say where Baldrige ends and strategic planning begins."

- **Accountability for results.** World-class organizations empower the workforce to make decisions, hold them accountable for the results, and reward their performance. Companies visited generally assign accountability for the performance targets set. Two partners assign ownership at the indicator level, with the owners, in turn, setting targets for the levels below.

- **Measurement linked to incentives.** Many partners stated that measures are not effective without tying incentives to them. For one, the incentive program is a prime communications tool to help people understand how their work links to the objectives of the organization. Another said, "All employees need to know how what they do each day adds to the profitability of the company." For several, performance measures are integrated into individual performance evaluations. One partner specified that bonuses are based on corporate success as well as success of the reporting units and that corporate success is based upon their six vision metrics. Another partner said it uses sanc-

tions against managers for not meeting goals; all employees are eligible for gainsharing and can receive up to 50% of any money saved, with half of any bonus given to the team at large and the other half distributed based on the team's assessment of individual member contribution. One company measures executive performance by asking, "What have you done for the shareholders?"

PERFORMANCE ASSESSMENT - SETTING FUTURE TARGETS

We don't want to be the best — we just want to be better than everyone else.
A Benchmarking Partner

For each of our partners, an important aspect of their strategic planning process was the ability to introduce improvements in both process and plan execution by incorporating knowledge gained from the previous planning cycle. "What worked, what didn't work, and what could be improved?" are the questions that need to be asked to move forward. One theme that rang true in all participating organizations was the dynamic nature of the strategic planning process. The way the best kept the process alive and dynamic was to aggressively use performance results and information feedback to improve the process and adjust the strategic plan as they progressed.

All of the partners in this study considered their strategic planning *evergreen* (i.e., a continuous process with no beginning or end). The best-in-class have institutionalized planning to the degree that the constituent elements are inextricably linked to the daily operations and future direction of the organization.

All of the partners use the results of the previous year to set new goals, new strategies, and new approaches. Most of the partnering organizations review progress toward achieving strategic objectives and modify their plans as needed throughout the year. Several organizations hold formal review meetings at least quarterly; others review their situations during the year, often at mid-year, to determine if adjustments need to

be made to the existing goals and strategies. In one of these organizations, the reporting unit did not need to wait the full six months; they were able to meet with the senior planning committee any time the feedback indicated the need. In another organization, the chairman makes weekly or bi-weekly phone calls with unit presidents to get direct feedback on progress on meeting strategic goals.

Several partners used not only data on strategic progress, but also sought feedback from their employees and customers. For example:

- Employee surveys every six to 12 months to assess adherence to corporate values.

- Business unit quarterly reports on meeting their commitment to CVA (customer value-added).

- Customer intercept surveys with customers as they leave the building to determine satisfaction with the service received during the visit and to identify opportunities for improvement.

- Hotlines to provide customers with the ability to register complaints, ask questions, and report problems.

The important indicator of success in our partner organizations seemed to be the ability to translate data generated in the assessment process into information that could be used to improve the next iteration of the plan and planning process. Thus, the strategic planning process is a closed-loop system; the output from the assessments becomes input to every part of the strategic management system.

ROAD MAP FOR AGENCY IMPLEMENTATION

We will require that all federal agencies put customers first. . .we will ensure that all customers have a voice, and that every voice is heard.

                                    Vice President Al Gore

This Consortium Benchmarking Study has identified a number of best practices, process enablers, and useful approaches related to providing greater customer focus and involvement in best-in-class strategic planning processes. While there were several identifiable attributes of a customer-driven strategic planning organization, given the breadth of organizational differences among our partners, it was not surprising that every aspect of every best practice cited in this report has not been instituted in the same way by each partner.

AGENCY IMPLEMENTATION

The strategic planning processes of the federal agencies that participated in this consortium study, like those of our partners, vary in their approach and sophistication. Therefore, it will not be surprising that the findings of this report will be used differently by different agencies. At some agencies, the best practices noted herein will serve to validate the processes and actions currently under way. In others, these best practices will serve as an impetus for improvement and a road map to follow.

While more formal agency implementation actions will be developed in response to the final report, as issued, a number of activities are already underway by the team and within the agencies to take advantage of the insights and lessons learned as part of this consortium study.

Agency leadership is committed to reviewing and analyzing the results of this report, with an eye towards adapting those customer focused strategic planning practices, approaches, and cultural and technological enablers which can provide organizational improvement.

Some of the practices can be implemented more quickly than others. For example, cultural change takes place over a period of time, which is difficult to forecast and which may be unique to each agency.

However, at several agencies, improvements in line with the best practices discussed here are already underway, including:

- At the Department of the Navy and at the National Aeronautics and Space Administration, implementation handbooks describing how to implement the best practices identified in this report have been developed.

- The Strategic Management Advisory Group of the Department of Veterans Affairs reviewed the final draft of the report and started its implementation

planning based on those good ideas that it found.

- The Social Security Administration has scheduled regular planning meetings throughout the year and is moving to develop an *evergreen* planning process.

We should not only use all the brains we have, but all that we can borrow.

Woodrow Wilson,
28th President of the
United States

PARTNERING RELATIONSHIP

The federal agencies on the Consortium Team and the benchmarking partners recognized that this study would be more beneficial if structured to provide more than the traditional snap-shot in time, which is common to benchmarking studies.

Recognizing that best practices are dynamic and ever-changing, and that the efficacy of the customer-driven strategic planning process cannot be assessed thoroughly until after the planning initiatives have been implemented and assessed, the team and partners decided that the benchmarking relationship should continue beyond the publication of the report.

The team has committed to follow up, and the partners have agreed to be accessible, for a five-year period. By identifying the best practices extant today, and providing a mechanism for keeping the findings current and up-to-date, the agencies and the partners believe that the study will become a more dynamic and useful tool for strategic planners, regardless of when they come upon it.

The agencies and the partners have agreed to review and assess periodically how well the partners felt they did in their planning, how well their performance measures worked, their success in predicting future events/influences/market trends, what new technology/tools they identified and chose to employ, and what changes the partners identified for improving their strategic planning process based upon lessons learned over the prior year or so. As a result, the team's agencies plan on periodically updating the report to provide a currentness and greater utility over time.

Appendix I:

A Glossary of Terms

A word is not a crystal, transparent and unchanged; it is the skin of a living thought, and may vary greatly in color and content according to the circumstances and time in which it is used.
Justice Oliver Wendell Holmes,
U.S. Supreme Court (1902-32)

For the purposes of this Customer-Driven Strategic Planning Consortium Benchmarking Study, the following terms have the meanings set forth below:

Advance Planning: That part of the planning process where organizational leaders, in concert with the strategic planning staff, define the planning process; establish membership, roles and responsibilities for the process; clarify expectations for process outputs and outcomes; and provide the necessary resources to ensure its success.

Balanced Scorecard: A management instrument which translates an organization's mission and strategy into a comprehensive set of performance measures that provides a framework for strategic measurement and management.

Benchmarking: The process of continuously comparing and measuring an organization against business leaders anywhere in the world to gain information which will help the organization take action to improve its performance.

Business Plan: A plan developed to implement the strategic goals and objectives of a strategic plan at the business unit level of the organization.

Core Process: The fundamental activities, or group of activities, so critical to an organization's success that failure to perform the process in an exemplary manner will result in deterioration of the mission.

Customers: The person or group who establishes the requirement of a process and receives or uses the outputs of that process; or the person or entity directly served by the department or agency.

Environmental Scan: A method used to identify external and internal factors that may potentially affect the organization.

Environment: Circumstances and conditions that interact with and affect an organization. These can include economic, political, cultural, and physical conditions inside or outside the boundaries of the organization.

External Customer: An individual or group outside the boundaries of the producing organization who receives or uses the output of the process.

Government Performance and Results Act (Public Law 103-62): A law that creates a long-term goal-setting process to improve federal program effectiveness and public accountability by promoting a new focus on results, service quality, and customer satisfaction.

Internal Customer: An individual or group inside the boundaries of the producing organization who receives or uses the output from a previous stage or process to contribute to production of the final product or service.

Key Performance Indicator: Measurable factors of extreme importance to the organization in achieving the strategic goals, objectives, vision, and values that if not implemented properly would likely result in significant decrease in customer satisfaction, employee morale, and financial management.

Measure: One of several measurable values that contribute to the understanding and quantification of a key performance indicator.

Metrics: The elements of a measurement system consisting of key performance indicators, measures, and measurement methodologies.

Mission: An enduring statement of purpose, the organization's reason for existence. Describes what the organization does, who it does it for, and how it does it.

Outcome: The way the customers respond to products or services.

Output: The products or services produced by a process.

Stakeholder: Any person, group, or organization that can place a claim on, or influence, the organization's resources or outputs, is affected by those outputs, or has an interest in or expectation of the organization.

Strategic Direction: The organization's goals, objectives and strategies by which they plan to achieve its vision, mission and values.

Strategic Dissonance: Within an organization, the tension that exists due to the misalignment between goals and unforeseen or changing situations or management direction.

Strategic Goal: A long-range change target that guides an organization's efforts in moving toward a desired future state.

Strategic Management: An integrated systems approach for leading and managing in a changing world by building consensus of the leadership group both in shared vision of the desired future state and a clarified mission for the organization, and by gaining support and participation of the people in the organization to identify the specific changes that must be made, implementing them, and assessing organizational performance.

Strategic Objective: A broad time-phased measurable accomplishment required to realize the successful completion of a strategic goal.

Strategic Planning: The continuous and systematic process whereby guiding members of an organization make decisions about its future, develop the necessary procedures and operations to achieve that future, and determine how success is to be measured.

Vision: An idealized view of a desirable and potentially achievable future state — where or what an organization would like to be in the future.

Appendix II:

Government References

This appendix lists useful publications on strategic planning and related topics for organizations looking to initiate or improve their strategic planning processes.

Guidelines for Strategic Planning, U.S. Department of Energy, DOE/PO-0041, January 96.

Guidelines for Performance Measurement, U.S. Department of Energy, DOE G 120.1-5, June 96.

Best Practices: The IRS Research Project on Integrating Strategic Planning, Budgeting, Investment and Review, Office of Economic Analysis, Internal Revenue Service, May 1996.

Strategic Planning and Strategic Management within NASA: A Case Study, National Aeronautics and Space Administration, June 1996.

NASA Strategic Management Handbook, National Aeronautics and Space Administration, October 1996.

Strategic Planning Charting A Course for the Future, Video; National Aeronautics and Space Administration, (Document No. T012-00-0000150), October 16, 1996.

The National Highway and Traffic Safety Administration Case Study: Strategic Planning and Performance Measurement, National Highway and Traffic Safety Administration, August 1996.

A Handbook for Strategic Planning, Department of the Navy Total Quality Leadership Office Publication No.94-02.

Strategic Planning: Selecting the Leadership Team, Department of the Navy Total Quality Leadership Office, May 1992.

Strategic Management for Senior Leaders: A Handbook for Implementation, Department of the Navy Total Quality Leadership Office Publication No. 96-03.

In Their Own Words, Executive Summary of Strategic Management Interview Data, Department of the Navy Total Quality Leadership Office.

APPENDIX III:
AGENCY CONTACTS

As your organization moves forward with your efforts to improve your strategic planning process, there are many individuals and organizations that can provide valuable assistance. Listed below are phone numbers, addresses and e-mail locators, where available, for the organizations represented on this Customer-Driven Strategic Planning Study Team, and some other helpful points of contact.

Points of Contact:

Federal Benchmarking Consortium Team

Bureau of Engraving and Printing:
Office of Strategic Planning
Phone number: 202.874.3423

Coast Guard:
Office of Plans, Policy and Evaluation
Phone number: 202.267.2361

Defense Mapping Agency:
Planning and Analysis Directorate
Phone number: 202.808.0718
e-mail: ARNOLDg@dma.gov

Department of Education:
Office of Planning and Evaluation Services
Phone number: 202.401.3132
e-mail: steve_moore@ed.gov

Department of Energy:
Office of Policy and International Affairs
Phone number: 202.586.9852
e-mail: d.richardson@hq.doe.gov

General Services Administration:
Office of Financial Management
Phone number: 202.501.0325
e-mail: Dennis.Fisher@gsa.gov

Internal Revenue Service:
Strategic Planning Division
Phone number: 202.376.0516

Department of Justice:
Management and Planning Staff
Phone number: 202.307.1826

National Aeronautics and Space Administration
Office of Policy and Plans
Phone number: 202.358.2096
e-mail: gary.steinberg@hq.nasa.gov

**National Highway and Traffic Safety
  Administration:**
Strategic Planning Office
Phone number: 202.366.1574

Department of the Navy:
Office of Program Appraisal
Phone number: 703-697.5068
e-mail: SHAMES-
RON@HQ.SECNAV.NAVY.MIL

SERVING THE AMERICAN PUBLIC:

Patents and Trademark Office:
Office of Planning and Evaluation
Phone number: 703.305.8510
e-mail: lroth@uspto.gov

Department of Transportation:
Office of the Associate Deputy Secretary
202.366.5781

Department of Treasury:
Office of Strategic Planning
Phone number: 202.874.3423
e-mail: orelious.walker@treas.sprint.com

Department of Veterans Affairs:
Office of Policy and Planning
Phone number: 202.273.5068
e-mail: haggard@mail.va.gov

Other Sources of Strategic Planning Information:

National Performance Review
Phone number: 202.632.0390
Internet address: http://www.npr.gov

Inter-Agency Benchmarking and Best Practices Council
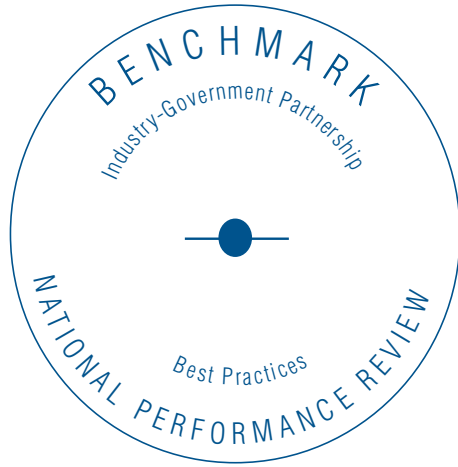Internet address:
http://www.va.gov/fedsbest/index.htm

Office of Management and Budget
Phone number: 202.395.4840/5670
Internet address:
http://www.whitehouse.gov/WH/EOP/OMB/html/ombhome.html

BENCHMARK

Industry-Government Partnership

Best Practices

NATIONAL PERFORMANCE REVIEW