



The Berkshire Advisors Approach To...

STRATEGIC PLANNING FOR LOCAL GOVERNMENTS

Introduction

When developing strategic plans for local governments it is important to be clear about the focus of the strategic planning efforts, to distinguish between the local government's governance and service delivery responsibilities, and to ensure that the strategic plan reflects choices about how local government resources and the time of its managers should be used.

Strategic Planning Focus

The focus of any strategic planning effort, whether in the public- or the private-sector, should be to answer three key questions:

- What is the current situation and how is that situation likely to change in the foreseeable future?
- Where are you going as an organization?
- How will you get there?

Each of these questions must be answered in sequence. An assessment of the current and likely future situation will determine the overall direction in which the organization should be headed. Once that direction has been established, specific strategies for getting from "where you are" to "where you want to be" can be developed. Together, these strategies comprise the organization's strategic plan.

Distinguishing Between Governance And Service Delivery Responsibilities

Local governments perform two primary functions – they govern and they provide services. The role of strategic planning is not the same for each of these two key types of local government responsibilities. Indeed, some aspects of a local government's governance activities need not be a central focus of strategic planning efforts. On the other hand, nearly all aspects of a local government's approach to delivering services should be incorporated into a strategic plan.

Governance. While the governance related functions performed by local governments are essential, only selected aspects of these governance responsibilities should be a focus of a strategic planning effort. Because many of these responsibilities are mandated by the state or federal government, it makes little sense to evaluate them as part of a strategic planning initiative – the local government will continue to be required to perform these functions regardless of the results of the strategic planning process. Likewise, some regulatory activities performed by local governments – for example, inspecting new construction to ensure compliance with code – are so accepted as being necessary that confirming the need for these services as part of a strategic planning process would be an academic exercise at best.

On the other hand, some aspects of a local government's governance and policy responsibilities can and should be

reflected in a strategic plan. In particular, the strategic plan should provide guidance relating to overarching policy issues, how services are funded, and how regulatory activities are performed.

Service delivery. Unlike its governance responsibilities, most aspect of a local government's approach to delivering services to citizens (e.g., residents and businesses) should be reflected in a strategic plan. The key questions that should be addressed correspond with the questions, previously identified, which comprise the essence of any strategic planning exercise:

- What is the current situation and how is that situation likely to change in the foreseeable future?
- Where are you going as an organization? .
- How will you get there?

Strategic Plans Must Reflect Choices About How Scarce Resources And Management Time Should Be Allocated

A shortcoming of the strategic plans of many public-sector organizations is that

they are overly ambitious. The plans represent a "wish list" of what the organization would like to do but provide no guidance on the equally important question of what it is that the organization *should not* do. Strategic plans that are too ambitious tend not to be actionable because the organization does not have the resources, and managers do not have the time, to successfully implement each of the items specified in the plan.

As local governments develop strategic plans it is important that they not only identify specific areas on which the government should focus to meet the current and future needs of its citizens but also that city leaders prioritize these initiatives. An effective approach to strategic planning should be structured not only to identify areas where new services are needed, or the level and quality of existing services needs to be enhanced, but should also be structured to evaluate the relative importance of these improvement initiatives. Only by focusing on understanding the tradeoffs among service offerings can decision-makers ensure that the strategic plan is a document that will drive future action rather than merely be an accumulation of "wishes" that sits on a shelf.