

StrategyBlocks | Research Report

Proven Practice Strategic Planning, Design, Execution and Reporting for US Municipal and County Government Organizations

AUDIENCE

Senior municipal leaders with **strategic insight**, requiring **delivery oversight** and drive to **elevate performance**.

INTENT

To construct a conceptual functioning municipal **strategic plan framework** using proven practice to determine what is the true **purpose and intent** of a municipal strategic plan.

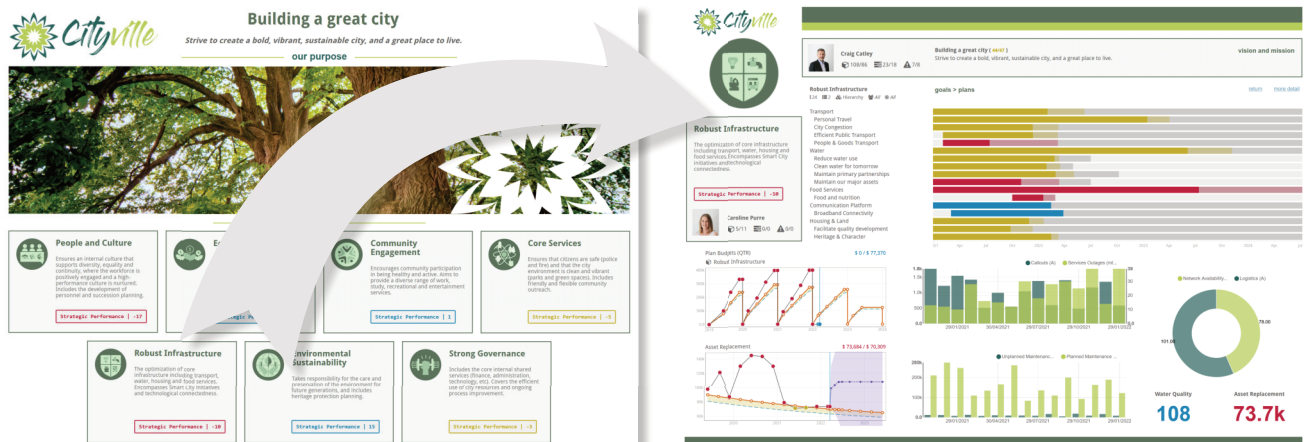
METHOD

Through the **detailed analysis and assessment** of multiple city and county plans and external research.

APPROACH

Operationalizing the plan framework through the application of the **six dimensions of strategic execution**:

- # 1 **Communicate** maintaining a common strategic language ensures clarity and drives efficiency
- # 2 **Design** enabling dynamic top-down planning (macro to micro)
- # 3 **Innovate** fostering ideation enterprise wide to create bottom-up contribution of ideas
- # 4 **Deliver** alignment of work management (organizational output) to vision and mission
- # 5 **Monitor** linking the measures of success (outcomes) with the plan
- # 6 **Assess** consideration of internal and external risk on the plan



StrategyBlocks dashboards offer the capability to communicate and track strategic execution in real-time

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INTRODUCTION

We have been hearing statements like “unprecedented times” and “huge global impact” in the media for the last 24 months, certainly instilling significant anxiety, if not panic, in communities across the globe. Without taking the time to consider, it is easy to leap to “chaotic” as the definition of the economic environment we each find ourselves in. Yet a chaotic environment is one where the long-term effect on the market is completely obscured, where the variables to navigate through these uncharted waters are un-knowable ⁽¹⁾.

Certainly, 2020~21 had several firsts for US municipal entities which adds weight to this assessment. However, without stopping to think, we may alter our future strategic actions based on this viewpoint. How will we lead through a post-pandemic turbulent economy? Can we rely upon our personal rules-of-thumb, knowledge that we have developed through our years of experience? Or is this new and uncharted chaotic territory where we should not rely on this entrained thinking at all? Understanding context is critical. An error in establishing context will alter our responses as leaders and our ability to achieve the optimal desired outcome. We propose we are living in “complex” times where a future state is discoverable, we just need to find the right balance of actions and measures to enable our strategy to succeed.

In this report we have taken that step back. We have analyzed numerous municipal strategic plans, looked for commonality, blended leading research and conducted our own -- the output is summarized in the report. It is a consolidation of what we believe to be the optimum framework for municipal strategic thinking and execution.

Achieving Community Closeness

“How Close Is Your Government to Its People” was a research working paper published by the World Bank 10 years ago. It proposed that we have seen, and are seeing, a progressive shift of governments to gain greater ‘closeness’ to their people to “establish fair, accountable, incorruptible and responsive governance.” The paper uses data to rank countries on three

dimensions: political, fiscal and administrative, in terms of their level of decentralization ⁽²⁾.

This of course makes complete sense. The closer a representative government is to its people, the better it works. It provides the opportunity for greater efficiency, accountability, manageability and autonomy.

Creating an index value for each dimension, and adjusting for population, the research was able to extrapolate an overall government closeness index. **The United States was placed at position 5** surrounded by the Scandinavian nations above and below. What this tells us is that US cities and counties already carry a significant level of responsibility and accountability to meet the expectations of the local communities they support, and this will only continue to increase. Like only a handful of countries globally, the buck really does stop with you!

Strategic Leadership Style

So with the ever-increasing expectations of local communities and in the midst of a complex economic environment, as leaders, you need to ⁽¹⁾:

- ▶ **Create environments that allow for experimentation, enabling successful strategic patterns to emerge from the organization,**
- ▶ **Increase the levels of interaction and communication inside the organization to enable this process,**
- ▶ **And deploy methods that can help generate ideation and discussion, establish boundaries, encourage debate and monitor success.**

A Platform for Strategic Design

Our value as technologists and consultants is to provide a platform, guidance and advice for strategic planning, design, execution monitoring and reporting. We seek to enable the personnel of the City to stay aligned, engaged and involved in the strategic process of today’s complex business environment. Software technology, and our approach, together integrate the two sides of strategy, the soft systems (intangible) and the hard (tangible) systems ⁽³⁾.

1 - Snowden, D. J., & Boone, M. E. (2007, November). *A Leader’s Framework for Decision Making*. *Harvard Business Review*, 69-76.

2 - Ivanyina, M., & Shah, A. (2012). *How Close Is Your Government to Its People? Worldwide Indicators on Localization and Decentralization (6138)*. *The World Bank*.

3 - McDonald, P., & Gandz, J. (n.d.). *Getting Value from Shared Values*.



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APPLYING THE FRAMEWORK - THE SIX DIMENSIONS OF STRATEGY

Through the application of the framework to local government, we can step through the components of each system and therefore determine how they can be applied to derive optimum potential strategic success.



COMMUNICATE
(SOFT SYSTEM)

PURPOSE

Within this component sits the culture of the business, its values, and beliefs. It includes the internal language of the organization, its shared meanings and stories. It is not taught: it is learned over time and it is an informal intangible structure that ripples through those hard strategic systems. Common use of strategic language is key to consistent understanding across the organization. Of primary importance is the labeling of the plan hierarchy and areas of strategic focus.

FINDINGS AND PROVEN PRACTICE

Strategic Levels | Macro level strategy must be decomposed into finer, more granular levels of detailed work, where each lower level describes fully the high-level work above it. This decomposition of strategy can be as deep as required. While the labels are completely customizable, these are the most commonly used level names used across the plans we analyzed:

Level Number	Level Name	Strategic Detail
1	vision and mission	macro
2	goals	macro
3	strategies	macro
4	tactics	micro
5	portfolios	micro
6	projects	micro
7	actions	micro

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<p>COMMUNICATE (SOFT SYSTEM)</p>	<p>PURPOSE</p> <hr/>	<p>FINDINGS AND PROVEN PRACTICE</p> <hr/> <p>Strategic Levels Cont</p> <p>Tips:</p> <ul style="list-style-type: none"> • Avoid where possible using competing words at the same level e.g. “Program/Project” • Avoid words with ambiguous or alternative meanings: Outcomes, Results, Focus Areas, Measures, Issues, etc. • Although macro levels can be broad, micro levels should be focused on operational delivery whenever possible <p>Strategic Focus Areas Often described as values, pillars or perspectives, focus areas describe the broad (flexible) categories of work, outcomes and risks. Every aspect of the strategic plan should align with a focus area. Our analysis showed an overwhelming bias toward ‘value based’ communication. The most popular approaches (ranked):</p> <ul style="list-style-type: none"> ▶ To operate with integrity and respect ▶ To always support our people and teamwork ▶ To be responsible guardians of the environment ▶ To constantly search for innovation and efficiency ▶ To always act in the best interests of the community ▶ To build and demonstrate exceptional leadership ▶ To constantly strive for quality <p>Tips:</p> <ul style="list-style-type: none"> • Remember focus areas describe how you work and how you want to be recognized (internal and external), not what you do
	<p>DESIGN (SOFT SYSTEM)</p>	<p>Central to our strategic framework is the constant process of strategizing: building new branches of strategic activity as old branches are completed and closed. It is an agile top-down (from vision) process. Without clear direction, people will make decisions based on their own ingrained knowledge to overcome obstacles, and this, of course, may not result in the desired outcome.</p>

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INNOVATE
(SOFT SYSTEM)

PURPOSE

Top-down design thinking should not be considered as the only method of shaping future strategy. Those individuals, who work directly with members of the community, managing the issues and challenges that people have, must be recognized as experts in their specialist fields. They are therefore a key part of the strategic planning process. Generating innovative strategic ideas, bottom-up, has tremendous potential benefit.

FINDINGS AND PROVEN PRACTICE

Bottom-Up Ideation | Managing ideation as a process is still very much in its infancy from organizations we investigated. It is a largely informal, solitary process and managed by middle management and team representatives. Certainly, ideas are generated but they percolate up through the organization gaining support or criticism as they evolve. We found little evidence to support defined processes being implemented to support a formal ideation process. Lacking in particular was:

- ▶ A process to **align** ideation to vision and mission
- ▶ A method of **assessing contention** for key resources
- ▶ A method of **collaborating** with others on an idea
- ▶ A method to assist managers in the **assessment** of new strategic thinking.

Observation:

- A lack of bottom-up alignment should not be underestimated. Without it, new ideas grow into projects outside the bounds of high-level strategy. Resources can be misused, compounding the effect on those activities with strong strategic value.

WORK MANAGEMENT
(HARD SYSTEM)

Hard systems are very different from those described above. These are the tangible things that each of us contribute to and are measured on. Work management measures the collective output of the workforce. Each person commits to taking ownership for the execution of areas of work where they hold domain expertise and collaborating with their peers to deliver. These activities are decomposed within the level's hierarchy, on a scale from macro to micro strategic. These things are real, measurable and fundamental to delivering vision.

Commit & Deliver | All organizations without exception measured the micro strategic delivery of projects. A regular assessment of delivery confidence is a well established form of measurement. But the ability to aggregate this subjective delivery progress to the macro level still presents a challenge for many. Without it, it is impossible to gain a sense for enterprise-wide delivery. However, the important question is what should you be doing?

Psychologist George Miller found that our conscious brain can only contain about seven pieces of data at any one moment(4). This seems to hold true for strategy, with the average number of six goals (the separate branches of macro strategic activity supporting vision and mission) across all the plans analyzed. This structure gives the strategy balance and the best chance of being understood.

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WORK MANAGEMENT
(HARD SYSTEM)

PURPOSE

FINDINGS AND PROVEN PRACTICE

Commit & Deliver | Cont

After analyzing numerous strategic plans we have grouped and consolidated the following seven most popular, high-level strategic goals that support vision and mission:

Title	Occurrences
1 Robust Infrastructure The optimization of core infrastructure including transport, water, housing and food services. Encompasses Smart City initiatives and technological connectedness.	25%
2 Strong Governance Includes the core internal shared services (finance, administration, technology, etc). Covers the efficient use of city resources and ongoing process improvement.	15%
3 Community Engagement Encourages community participation in being healthy and active. Aims to provide a diverse range of work, study, recreational and entertainment services.	14%
4 Core Services Ensures that citizens are safe (police and fire) and that the city environment is clean and vibrant (parks and green spaces). Includes friendly and flexible community outreach.	13%
5 Environmental Sustainability Takes responsibility for the care and preservation of the environment for future generations, and includes heritage protection planning.	13%
6 People and Culture Ensures an internal culture that supports diversity, equality and continuity, where the workforce is positively engaged and a high-performance culture is nurtured. Includes the development of personnel and succession planning.	12%
7 Economic Growth Develops resilience in the business community and partners to generate work creation. Ensures the central business district is active and vibrant. Includes pandemic stimulus package distribution (ARPA) management.	7%

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MONITOR
(HARD SYSTEM)

PURPOSE

As work delivery progresses, activities are created, monitored and closed. But it is fundamental to ensure there is a clear link between what people do and the ultimate benefit -- the desired result or outcome. This is the field of metrics management. These are the key indicators that definitively tell us if the activities to which people are committed are meeting the expectations of stakeholders. They can be financial, operational, human, environmental, anything numeric and where a variance from the target can be derived. However they have reduced value in isolation, and they should maintain a formal link to activity and an informal relationship to the soft strategic systems.

FINDINGS AND PROVEN PRACTICE

Outcome Metrics | Given the purpose of strategic metrics management it should therefore be logical that they align with the defined high-level work management goals. Metrics can either be an indicator of future potential performance (a lead indicator) or an indicator of past actual performance (a lag indicator).

NB: This is not intended to be an exhaustive list, but instead illustrates the link between work done and categories of perceived outcomes.

- 1 **Infrastructure** ⇔ **Robust Infrastructure**
Examples: services outages, asset replacement, maintenance, water quality, logistics, network availability, inventory cost, callouts.
- 2 **Finance** ⇔ **Strong Governance**
Examples: revenue, cash flow, fixed and variable costs, working capital, capital expenditure, return on capital, strategic investment, treasury, budget accuracy.
- 3 **Community** ⇔ **Community Engagement**
Examples: use of spaces, employment, student #, participation rate, business #, event attendance.
- 4 **Operations** ⇔ **Core Services**
Examples: property crime, safety and emergency response, complaints, social sentiment, surveys, satisfaction rates, homelessness, health and wellbeing.
- 5 **Environment** ⇔ **Environmental Sustainability**
Examples: emissions, water quality, air quality, refurbishment, wastage, noise and light pollution.
- 6 **Human Capital** ⇔ **People and Culture**
Examples: staffing, compensation, succession, training and development, absenteeism, promotions, satisfaction, retention, reviews #, turnover costs, accidents and injuries.
- 7 **Economic** ⇔ **Economic Growth**
Examples: aggregated growth, business #, employment, stimulus injection, work schemes, marketing spend, visitor count.

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ASSESS
(HARD SYSTEM)

PURPOSE

We must also consider the possibility that events could derail our best intentions for strategic delivery. 2020 has clearly shown how threats outside of our control can have devastating effects. Threats can be external to a city, from outside of the organization or driven by an internal failure to execute. What's important is that the potential for risk to affect our strategic plan is recognized and acknowledged. Having done so, we can establish steps to mitigate against this risk occurring at all, or if it did, identify post response steps to minimize the impact.

FINDINGS AND PROVEN PRACTICE

Risks & Challenges | Our research has included the compilation of a list of 10 significant threats affecting municipal organizations in the future. Like metrics management, internal and external risks should align with, and impact, the defined high-level work management goals.

- 1 Economic Downturn** ⇔ **Economic Growth**
Description: Economic effects of the pandemic continue for longer than expected and/or other shock events continue to hamper economic recovery.
Impact: Extended periods of disruption to economic growth will place a drain on City's financial resources, impacting the City's ability to carry out its long-term strategic goals and meet the needs of the community.
- 2 Loss of citizen trust** ⇔ **Core Services**
Description: Event(s) occur which lead our citizens to question the judgement and leadership of City leaders.
Impact: We must always maintain the highest professional standards to ensure that the community's attitude toward City administration is beyond question.
- 3 Public Disturbance** ⇔ **Core Services**
Description: Pressure and stresses on members of our community lead to unrest which can escalate into safety concerns for the wider populous.
Impact: The health and well-being of our community is dramatically affected by civil unrest leading to ongoing security concerns and anxiety.
- 4 Unexpected Costs** ⇔ **Strong Governance**
Description: A significant unexpected cost places the City in a position where existing funding is stretched and additional short-term funding is required.
Impact: Reassignment of key funds may stall and cancel the delivery of City improvement programs on work currently in-flight.

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ASSESS
(HARD SYSTEM)

PURPOSE

FINDINGS AND PROVEN PRACTICE

- 5 Workplace Safety ⇌ People and Culture**
Description: A lapse in workplace safety processes results in an event leading to serious injury of a member(s) of our team.
Impact: Serious injury to personnel requiring support services and reviews of processes and protocol.
- 6 Infrastructure Stability ⇌ Robust Infrastructure**
Description: Growth in the community (residential and/or commercial entities) places an unexpected load on key infrastructural segments leading to network component failure.
Impact: Results in a significant outage in service continuity to the community.
- 7 Environmental ⇌ Sustainability**
Description: Guidelines for the continued protection of our environment are breached either by local commercial interests or by the City itself and cause damage to our regional environment and natural biodiversity.
Impact: Accidental or intentional damage to local habitats and the environment requires unplanned investment to fully rehabilitate.
- 8 Personal Private Information ⇌ Comm Engagement**
Description: The protection of our citizens' private information is critical, an event could occur where internal systems are breached, or personal information is leaked without consent.
Impact: Loss of trust across the community which will take significant time and effort to restore.
- 9 Technological Shift ⇌ Robust Infrastructure**
Description: As the pace of technology use and the need for communications network bandwidth increases at exponential rates, new and unexpected load makes current city networks insufficient.
Impact: Will cause loss of optimum service available to commercial and City departments and the community in general.

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<p>ASSESS (HARD SYSTEM)</p>	<p>PURPOSE</p> <hr/>	<p>FINDINGS AND PROVEN PRACTICE</p> <hr/>
		<p>10 Talent Shortage ⇌ People and Culture</p> <p><u>Description:</u> As the needs of the community continue to evolve the key skills and expertise needed to meet these demands are not available in our local community and affect the City's ability to respond.</p> <p><u>Impact:</u> This will affect the City's ability to deliver improvement priorities.</p>

WHERE TO NEXT

Municipal organizations play a pivotal role in bridging the gap between the federal government and citizens. Your strategic plan will embody your approach to achieving community closeness, and we live in a time where it has never been so important. Your plan is a blueprint for growth and change; a positive, forward-looking view of the future.

To improve organizational performance, you must utilize tools and leverage knowledge that can not only help you to better track and define your strategy, but will be instrumental in delivering outcome success to all stakeholders, internal and external.

StrategyBlocks works with cities across the United States, helping them map their strategic vision by linking the fields of Work, Metrics and Risk Management. It is often a complex task and can benefit from an external viewpoint and an enabling technology platform. To succeed, your strategic plan must harness the collective strength of the enterprise and transform its execution capability. It requires an intuitive, agile environment that engages and guides people toward this common goal.

STRATEGYBLOCKS - OPERATIONALIZING PLANS

StrategyBlocks is an intuitive software-as-a-service platform for strategic planning, management, and execution; helping complex organizations to become more agile across the entire strategic lifecycle. The software aligns an organization, from its strategic vision to operational intent, in a highly visual way. This increases overall strategic agility and allows much greater and more powerful insight into the delivery of work, outcomes and risks than ever before.

StrategyBlocks enables city managers to turn their strategic vision into tactical execution, easily sharing data across departments and business units and therefore cultivating company-wide involvement in strategic execution.

Please contact us today and let us show you how we can help bring your strategic plan into focus.

Craig Catley, Managing Director, StrategyBlocks
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About Us

StrategyBlocks is a multi-award winning strategic communication, monitoring and reporting system designed to help any organization stay aligned, engaged, and involved in the strategic process of today's rapidly evolving business environment.

StrategyBlocks offers an all encompassing view of an organization's strategic execution by merging and linking quantitative and qualitative data with the delivery of strategic initiatives and portfolios, therefore aligning work management to corporate vision and purpose.