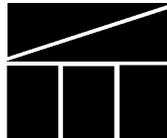


Strategic and Service Area Plan **Instructions**



Department of Planning and Budget
2008-2010 Biennium

June 5, 2007

OVERVIEW AND BACKGROUND

These instructions describe the process for developing your agency's strategic plans for the upcoming 2008-2010 biennium. These plans will be due based on when your agency is scheduled to present its plan to the Governor's staff, the cabinet secretaries, and DPB. Currently, agencies are scheduled to begin presenting their strategic plans in July and August, and cabinet secretaries will begin scheduling agencies shortly.

As stated in the past, this process carries out the requirements of Chapter 900 (the Government Performance and Results Act) and Chapter 1901, 2003 Acts of Assembly.

These instructions apply to all executive branch state agencies, with the exception of institutions of higher education.

SWOT ANALYSIS

Each agency is required to prepare a Strengths, Weaknesses, Opportunities, and Threats Analysis (also known as a "SWOT") as part of their strategic planning process. Performing such an analysis for **each objective** or for the agency as a whole is a simple but powerful way to identify and focus on your agency's most valuable assets, areas for improvement, and external issues that should be taken into account as long term plans are created. A sample matrix, specific components of SWOT, and SWOT tips have been provided as Appendix I which can serve as a tool to help an agency share the results of the analysis with decision makers and other stakeholders.

SWOT Analysis are not required to be physically submitted with your strategic plan, but must be retained on-site at each agency for the life of their strategic plan. DPB and the Department of Accounts may request to see agency SWOT analysis at any given time.

ACCESSING YOUR PLAN

DPB has eliminated the Microsoft Access strategic planning database used in the prior biennium and has created a web-enabled tool for accessing and updating your agency's strategic plan. The new tool has a similar "look and feel" to the Access database, but should prove to be easier to update and report.

This new web-enabled tool will be available to agencies around July 1, and DPB will send out additional instructions shortly on how to access and use this tool. At that time, you will be able to access your agency's strategic plan at www.vaperforms.virginia.gov. As in the past, you will be prompted to enter a login id and a password. Agency users who have access to Virginia Performs for reporting key measure performance data will not be required to request access again. New users will need to fill out the access request form located on the left-hand navigation bar.

The starting point for your plan will be the latest strategic plan (via Access database) DPB has on file for your agency. This information will be pre-populated into the web application and shall serve as a “base” for this update. You will be able to edit/modify your information as needed with proper approvals in place.

Finally, DPB will also provide agency user training on an “as needed basis.” Please contact your DPB analyst if you need assistance.

THE STRATEGIC PLAN

The major components of the agency strategic plan can be found in the Agency Planning Handbook, dated September 19, 2006, which provides detailed instructions on developing your strategic plan. This handbook can be found on the DPB website. Agencies should not wait for the new web-based tool to begin reviewing their current strategic plan and developing their new plan for the 2008-2010 biennium. The following provides an outline of the areas that will need to be reviewed and updated. This is consistent with the fields that will be available in the web-based tool.

Agency Mission and Vision

Agencies should review their Mission and Vision statements for clarity and to ensure they properly represent the agency. Again, please use the Agency Planning Handbook for guidance on developing your agency’s Mission and Vision statements.

Agency Values (Optional)

Agencies should also review their agency values for clarity and to ensure they properly reflect the agency. This section is optional. If you did not include agency values in your current strategic plan, you can include them as part of this process. The Agency Planning Handbook provides more information on values.

Agency Executive Progress Report

- The Executive Progress Report consists of the agency summary of current service performance and current productivity.
- It also provides the agency summary of major initiatives and related progress, Virginia ranking and trends, and customer trends and coverage.
- Finally, it describes the agency summary of future direction, expectations, and priorities as well as potential impediments.
- For more information on the definition of this report, use the Agency Planning Handbook.

Agency Service Area List

Agencies must review their agency service area list. Any required changes **MUST** be discussed with and approved by their DPB budget analyst prior to making any changes.

Agency Background Information

Agencies should review and modify agency background information for clarity and to ensure it accurately reflects the agency.

- The agency background information should provide the following: the statutory authority, customers, partners (optional), products and services, human resource summary, information technology summary, capital investment summary, and the agency financial summary.

Background Information: Statutory Authority

Review your agency statutory authority for accuracy. Agencies should update any Code references to reflect current law.

- Agencies should provide a description of the Federal Code, Code of Virginia, or any other source that gives the agency its authority and mandate in law.

Background Information: Customers

Review your agency customer background information to ensure the list accurately reflects all agency customers.

The agency customer background information provides a listing of each separate customer group at the agency level. Included in this listing is a short title of the customer group, the approximate number of customers served annually, and the approximate number of potential customers.

It will also describe any anticipated changes to your agency's customer base.

Background Information: Partners (Optional)

Review your agency partner information to ensure accuracy. If you did not include partner information in your current strategic plan, you may do so at this time.

This background information is optional. If you choose to complete this, it is where you would list other agencies/organizations that aid your agency in the accomplishment of its mission. For each partner, you should include the title of the partner and a brief description of the partnership.

Background Information: Products and Services

Review your agency products and services for clarity and to ensure they properly reflect your agency.

The agency products and services information is intended for you to describe in general, the actions taken by the agency to fulfill its mission or the items produced by the agency for its customers. This should include:

- A narrative description of the agency products and services;
- A description of the factors impacting agency products and services; and,

- A description of potential or anticipated changes to agency products and services.

Background Information: Human Resources

Review your agency human resource information for clarity and to ensure it accurately reflects your agency.

The intent is for you to provide an overview of the agency workforce, factors impacting the workforce, anticipated changes, and the overall composition of the agency workforce. Most of this information will be provided through narrative descriptions.

Finally, agencies should provide the composition of the agency workforce. Specifically, the agency will provide the full-time equivalent (FTE) position count of filled employees in each of the categories listed. In addition, you must also provide the effective date for the information provided.

Background Information: Information Technology

Review the narrative overview of the current state of information technology (IT) in the agency, the factors impacting IT, and anticipated changes to agency IT. It should also include a summary of the potential cost of proposed IT projects and procurements.

Also, provide the total cost of proposed agency information technology projects and procurements. Detailed information about these proposed projects and procurements will be entered in the Commonwealth Technology Portfolio (CTP) – Prosight maintained by the Virginia Information Technologies Agency.

Background Information: Capital Investments

Review your agency capital investments for clarity and accuracy. If you have added or completed a capital investment, please update to accurately reflect.

The agency capital investment information should provide a narrative description of the current state of capital outlay in your agency, factors impacting capital outlay investment, and a discussion of how your proposed capital outlay plan supports the accomplishment of your agency's mission and strategic direction. If your agency does not have capital projects and/or does not anticipate that it will, then you should not provide any information.

Background Information: Financial Resources

Review your agency financial resources for clarity and accuracy. Make sure to reflect any changes in appropriation or funding sources.

The agency financial resources information provides a narrative description of your agency's budget to include the sources of agency funding.

Key Measures and Objectives

Key Objectives

Agencies should review their agency key objectives as approved in summer 2006 by the Governor's Office. If you need to delete, add, or modify a key objective from your strategic plan, please contact your Cabinet Secretary. **Key objectives cannot be modified without approval from the Governor's Office.**

Key Measures

Agencies should also review their key measures as approved in summer 2006 by the Governor's Office. If you need to delete, add, or modify a key measure, please contact your Cabinet Secretary. **Key measures cannot be modified without approval from the Governor's Office.**

Additions/modifications to key measures does not remove the reporting requirement for current key measures.

Agency Goals

Goals: Goal Listing

Review your agency goal listing for clarity and to ensure they properly reflect your agency. You may add or subtract agency goals as needed.

Goals should be assigned a unique number and should be aligned with agency strategic direction and to statewide goals.

- Agencies should provide a narrative description of the goal and how the goal supports the agency mission and strategic direction.
- It must also clearly demonstrate how the goal is aligned with statewide goals.

Goals: Goal Objective Listing (Optional)

At your option, you may include objectives for your agency goals. Each objective for a specific goal should have a unique objective number and a simple objective statement.

Review any agency goal objective listing for clarity and to ensure they properly reflect your agency. If you did not include agency goal objectives in your current strategic plan, you may opt to include in this submission.

Goals: Goal Objective Measures (Optional)

Optional performance measure information for each goal objective may include:

- A unique measure number (between one and 99).
- The measure type (the choices are input, output, and outcome). For definitions of the measure types, see the Agency Planning Handbook.
- Frequency of the measurement. Choices include monthly, quarterly, every six months, annually, biennial, and other. If "other" is selected, enter how often the measure is collected in the text box.

- Measure data source and calculation. This is where you will enter information on how the measure is calculated, and the source of the data. This is also where you should explain how and why the selected target level was chosen.
- Measure baseline. This is a description of the current state of the measure.
- Measure target. This is a description of the desired level of performance.

Review any existing agency goal objective measures for clarity and to ensure they properly reflect your agency. If you did not include this in your current strategic plan, you may opt to do so at this time.

You will be able to add more than one measure for an objective (or delete a measure). You will also be able to change objectives or goals.

Goals: Goal Objective Strategies (Optional)

Review your agency goal objective strategies for clarity and to ensure they properly reflect your agency. If you did not include this in your current strategic plan, you may opt to do so at this time.

Each strategy should be a simple and brief statement of the planned action/activity.

SERVICE AREA PLAN

Service Area Description

Agencies should review each of the service area description(s) for clarity and to ensure they properly reflect the agency. Any service area additions, modification, or deletions must be approved by your DPB.

Service Area Background Information

Agencies should also review the background information for each of the service areas for clarity and to ensure they properly reflect the agency.

Much of this background information is similar to the agency level information included in the strategic plan. The main difference is that the background information at the service area level will only pertain to that service area.

Service Area Background: Mission Alignment and Authority

Review the mission alignment and authority for each of your service areas for clarity and to ensure they properly reflect your agency.

Agencies should provide information on how the service area supports the mission and strategic direction of the agency. In addition, agencies should provide any statutory authority (federal or state code or regulations) which governs the activities of the service area or places requirements on the service area.

Service Area Background: Customers

Review the customer information for each of your service areas for clarity and to ensure they properly reflect your agency. You may add or subtract customers if needed.

The service area customers section is almost identical to the agency level customer section. The difference is that at the service area level, you are being asked to select the agency customer group that the service area customer belongs with. In some cases, the title you use for a service area customer may be identical to the title used for the corresponding agency level customer group. In other cases, you may want to include a more specific title at the service area level. You will need to discuss anticipated changes to the service area customers.

Service Area Background: Partners (Optional)

Review the partners' information for each of your service areas for clarity and to ensure it properly reflects your agency. If you did not opt to provide partner information in your current strategic plan, you may do so at this time.

This information is optional. This is where you would list other agencies/organizations that aid the service area in the accomplishment of its objectives. For each partner, you should include the title of the partner and a brief description of the partnership.

Service Area Background: Products and Services

Review the products and services information for each of your service areas for clarity and to ensure they properly reflect your agency.

The service area products and services section is intended to be a simple listing of the products produced and services performed by the service area. In addition to listing the service area products and services, this section should also include a discussion of factors impacting and anticipated changes to the service area products and services.

This services section is also where you may provide a general discussion of the factors impacting products and services as well as anticipated changes to these products and services.

Service Area Background: Financial Resources

Review the financial resources information for each of your service areas for clarity and to ensure they properly reflect your agency. Make sure to identify any changes in financial resources.

The service area financial resources section is where you will enter the budget amounts for each year, both general and nongeneral fund. See the Agency Planning Handbook for definitions of "Base Budget" and "Changes to Base".

Service Area Background: Human Resources (Optional)

Review the human resource information for each of your service areas for clarity and to ensure they properly reflect your agency. If you did not opt to provide this information in your original submission, you may do so now.

The optional service area human resource section is where you may provide an overview of the service area workforce, factors impacting the workforce, anticipated changes, and the overall composition of the service area workforce. Most of this information will be provided through narrative descriptions, and you will need to provide the composition of the service area workforce.

Service Area Objectives

Service Area Objectives: Objective Listing

Review the objective listing for each of your service areas for clarity and to ensure they properly reflect what your agency does. Each service area must have at least one objective.

The service area objectives section is where you will list the objective or objectives for the service area. Each entry will consist of an objective priority number and a brief objective statement. You will be able to enter information on the objective including a description of the objective, alignment of the objective to agency goals, performance measures, and strategies.

If the service area objective is a key objective, you will need to go through your Secretary to obtain the Governor's Office approval to delete or modify the objective.

Service Area Objectives: Objective Description

Review the objective descriptions for each of your service area objectives for clarity and to ensure they properly reflect your agency.

You will be able enter additional details about the specific objective selected to include the objective's purpose.

Service Area Objectives: Alignment

Please review the alignment of your service area objectives to agency goals.

You will identify the agency goal or goals that the service area objective supports. The agency goals should be selected from the list provided and you may add an optional comment under each selected agency goal.

Service Area Objectives: Objective Measures

Each service area objective must have at least one measure.

Review the existing measures for each of your service areas for clarity and to ensure they properly reflect your agency. You will review and edit (if necessary) performance measure information for the service area objective. **If the service area measure is a key measure, you will need to go through your Secretary to obtain the Governor's Office approval to delete or modify the measure.**

The measure information includes:

- A unique measure number (between one and 99).
- The measure type (the choices are input, output, and outcome). **The Governor has asked that agencies use, to the extent possible, outcome measures for their objectives.**

Input measures describe the amount of resources used to produce a product or provide a service.

Examples: number of teachers employed, number of police cars in the fleet.

Output measures describe the amount of work completed, the amount of product produced, or the amount of services provided.

Example: number of training sessions held for emergency medical technicians

Outcome measures describe the results achieved compared to the intended purpose, or progress towards achieving an objective; the extent to which a service or activity has impacted its intended audience. Outcome measures describe effectiveness and often focus on things such as quality, timeliness, productivity, or the degree to which something has been deployed throughout an organization or client population (i.e., penetration).

Example: percentage of juveniles convicted of a new misdemeanor or felony within a year of being placed on probation.

- Frequency of the measurement. Choices include monthly, quarterly, every six months, annually, biennial, and other. If “other” is selected, enter how often the measure is collected in the text box below.
- Measure data source and calculation. This is where you will enter information on how the measure is calculated, and the source of the data. This is also where you should explain how and why the selected target level was chosen.
- Measure baseline. This is a description of the current state of the measure. It is the starting point from which an organization improves.
- Measure target is the specific level of performance you are striving to achieve; it is the desired level of performance for an objective which can be measured within a specific period in time, usually expressed as a number or percentage. **The target should be challenging, yet achievable. It should stretch the capabilities of the agency but still must be realistic.**

Service Area Objectives: Objective Strategies

Review the objective strategies for each of your service areas for clarity and to ensure they properly reflect your agency.

The service area objective strategies section is where you will list the activities and/or actions that support the accomplishment of the service area objective. Each strategy should be a simple and brief statement of the planned action/activity.

Information Technology Summary:

Writing the Information Technology Summary Section is a collaborative effort between the business and IT divisions within the agency. It cannot be written without input and involvement from both parties. The resources that are responsible for the agency’s strategic business plan must work with the resources responsible for the agency’s information technology strategic plan to successfully write this section.

The purpose of this section is to provide a view of the agency’s information technology (IT) investments across the agency as well as across the enterprise and to demonstrate how these investments support the business goals and objectives of the Commonwealth of Virginia as established by the Council on

Virginia's Future, the Commonwealth of Virginia Strategic Plan for Information Technology, and the agency. It is organized into four sections:

- Current State and Issues,
- Factors Impacting Information Technology,
- Anticipated Changes and Desired State (of the agency IT investment portfolio), and
- Agency IT Investments.

The information provided within these sections provides an opportunity for the agency to identify its internally- and externally-driven IT challenges and to identify solutions that, when implemented, will achieve the agency's desired future IT state. The agency should also provide a summary of the financial investment required to implement its IT strategies as well as a total cost of ownership for information technology. Other provided information includes the Agency IT Base Budget for ongoing operations and maintenance and the Projected Total IT Budget for all agency IT expenditures.

Appendix A of the agency strategic plan lists all proposed IT investments, which consists of new IT initiatives, active IT initiatives for which funding is already allocated or needed during the next biennium, along with the required financial investment associated with these initiatives. In the appendix, IT investments are identified as projects or procurements and are aligned with the service areas they support. The Information Technology Summary must explain how the IT investments recorded in Appendix A support the business goals and objectives of both the agency and the Commonwealth of Virginia and how these investments will move the agency from its current state to its targeted future state both from a business as well as an IT perspective.

The IT Investment Board (ITIB) continues to emphasize their intent to give highest priority to IT projects that provide enterprise solutions or involve collaboration between agencies. Accordingly, in their IT Strategic Plans, agencies should:

- Highlight those investments that involve collaboration with other agencies or implement an enterprise solution for the Commonwealth of Virginia.
- Document the other agencies that are involved and how they are involved.

Each July, the ITIB completes a preliminary review of agency IT major projects proposed for inclusion in the upcoming Recommended Technology Investment Projects (RTIP) Report. The RTIP Report, delivered annually to the Governor and General Assembly on September 1st of each year, presents the ITIB recommended Commonwealth technology investment projects and priorities for funding.

Information gathered during the strategic planning process is used to evaluate, score, and rank these projects so it is important that agencies be as accurate as possible when entering information into their strategic plans. Major projects providing enterprise solutions and having strong alignment with the Commonwealth goals and objectives are ranked higher than those that do not demonstrate these characteristics.

If the agency is proposing any investments in potential enterprise solutions, agency plan developers should review the current strategy (planned development modules) of the Virginia Enterprise Applications Program (VEAP), to determine if any planned agency investments will be addressed by VEAP. The current VEAP definition for the financial management module consists of general accounting, accounts payable, accounts receivable, fixed asset management, cost accounting and time and labor accounting. Other modules within the current VEAP implementation strategy include human resources management,

supply chain management, and administrative management. For additional information regarding VEAP, contact Ned O'Neill at Edmond.ONeill@VDOT.Virginia.gov, 786-5786.

Planning approval for agency investments that fall into one of these VEAP modules or categories will be handled on a case by case basis. Investments that meet these criteria should be labeled by inserting '(VEAP)' at the end of the name of the investment for easy identification. These investments will be placed into a special hold status unless an agency presents a strong business case to proceed. Examples of conditions under which agency VEAP-related investments may be allowed to proceed would include:

- The welfare of citizens will be seriously compromised.
- Agency operations will be seriously compromised.
- The Commonwealth of Virginia will be sanctioned by the Federal government.
- The Commonwealth of Virginia will lose Federal funding.

In the business case, agencies are to indicate whether they enter data directly into CARS or into an internal agency accounting system which then feeds data to CARS. Deployment of the planned agency investment prior to the implementation of the VEAP system must demonstrate a positive return on investment.

Agencies are also to review the Governor's five initiatives to determine if any of the investments in their plan fall under one of these initiatives. The Governor's five initiatives are documented in a letter sent by the Governor to the Chairman of the ITIB which was presented at the October 19 ITIB meeting. This letter can be found at

<http://www.vita.virginia.gov/ITIB/docs/2006/061018/061018LetterfromGovernortoChair.pdf>. Questions regarding the Governor's five initiatives should be directed to Donald Jean at www.innovations.vi.virginia.gov, 225-2273.

Questions regarding the overall IT strategic planning process should be directed to Constance Scott at constance.scott@vita.virginia.gov, 371-5927.

SUBMITTING YOUR STRATEGIC PLAN

Directions regarding submittal of your completed strategic plan will be released in the near future.

Please contact your budget analyst with any question/concerns.

Appendix I

SWOT Analysis Sample Matrix

	Strengths (Internal) 1. 2. 3.	Weaknesses (Internal) 1. 2. 3.
Opportunities (External) 1. 2. 3.	Leverage strengths to exploit new opportunities.	Eliminate weaknesses that are barriers to taking advantage of opportunities.
Threats (External) 1. 2. 3.	Use strengths to defend against threats.	Address weaknesses that could be exploited by threats.

In addition to its strategic planning benefits, a SWOT analysis can be used as a tool to identify issues and risks related to the objectives the agency is pursuing.

Specific Components of SWOT

1. **Strengths:** Attributes of the agency that are helpful to achieving the desired objective.

What does your agency do better than most others?
What do others perceive as your strengths?
Employee expertise
Agency culture
Experienced employees
Operational efficiency
Access to resources
Agency reputation

2. **Weaknesses:** Attributes of the agency that are harmful or hinder achieving the desired objective.

What can be improved?
What do others perceive as your weaknesses?
Employee demographics
Items mentioned under strengths but of a negative nature

3. **Opportunities:** External conditions that are helpful to achieving the desired objective.

What trends are occurring that you can take advantage of?
New technologies
Changes in statewide policies
Demographic changes among your customers or potential customers
One time events
Collaborative efforts with outside entities

4. **Threats:** External conditions that are harmful or hinder achieving the desired objective.

What obstacles does your agency face?
Could any of the agencies' weaknesses (or combinations there of) have a serious impact on agency operations?
Access to resources
Items mentioned under opportunities but of a negative nature

Tips

1. A SWOT analysis has to begin by defining a desired end state or objective.
2. Be sure to include input from all members of your management team from different disciplines. The thoughts of one individual dominating the analysis can lead to missing or overlooking ideas for each component.
3. Avoid confusing opportunities external to the agency with strengths internal to the agency.
4. SWOTs are descriptions of conditions and should not be confused with potential strategies.
5. Be realistic about the strengths and weaknesses of your agency.
6. Be specific; avoid using generalized or "grey" language.
7. Keep it short and simple. Avoid complexity and over analysis.

A SWOT analysis makes management aware of the identified factors and ensures that they are considered in the decision making processes. SWOT can also be used as a planning tool to identify risks, address issues that will hinder achieving your objectives, and provide potential solutions to ensure success.