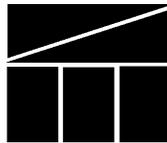


# Agency Planning Handbook

A Guide for Agency Strategic Planning  
and Service Area Planning  
Linking to Performance-Based Budgeting



**Department of Planning and Budget**  
**2006-2008 Biennium**  
**September 19, 2006**

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# Agency Planning Handbook

## **A Guide for Agency Strategic Planning and Service Area Planning Linking to Performance-Based Budgeting**

This handbook describes Virginia’s strategic planning, service area planning, and performance-based budgeting models. The purpose of this handbook is to provide information and guidelines for effective strategic planning, service area planning, and performance-based budgeting – elements of the Commonwealth’s performance leadership system. It is intended to ensure that all organizations within state government that are required to comply with the legislation mandating strategic planning for the Commonwealth (Chapter 900, 2003 Acts (HB2097)) are able to do so. More importantly, it is designed to aid organizations in developing plans that serve as useful and valued management tools.

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## Acknowledgements

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# **INTRODUCTION**

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## **BACKGROUND**

Over the past two decades, the Commonwealth has introduced several performance management tools and initiatives such as program budgeting (circa 1980), agency strategic planning (mid-1990s), and performance management and reporting (late 1990s). Virginia has been fortunate to receive national recognition for many of these practices. Now, as a result of the passage of House Bill (HB) 2097 (Code of Virginia section §2.2-5511) and other related legislation, Virginia is embarking on a new phase of performance management. Enacted in July 2003, HB 2097 requires that... “*each agency...develop and maintain a strategic plan for its operations*” defined in the legislation as “*the systematic clarification and documentation of what a state agency wishes to achieve and how to achieve it. The objective of strategic planning is a set of goals, action steps, and measurements constructed to guide performance.*”

The passage of HB 2097 presented an opportunity for Virginia’s leaders to examine how they currently plan for the future and manage performance in the Commonwealth. Pockets of strategic planning excellence were found among Virginia’s agencies. However, significant variation in planning was also evident.

- Some agencies had sophisticated strategic plans, while others had none.
- The emphasis seen in many plans was on reaching near-term goals, without a complementary focus on the future.
- A common planning language was not being spoken.
- There were a number of demands for information placed on state government entities at different times of the year that were becoming burdensome.

As a result of the examination, Virginia’s leaders concluded that a new planning and performance model would be necessary, not just because of HB 2097. Because the development and use of strategic plans has been consistently shown to enhance an organization’s performance.

## **A NEW ERA OF PERFORMANCE LEADERSHIP**

Strategic planning is one part of a new, more comprehensive system for performance leadership that is being developed in the Commonwealth as a way to implement the *Roadmap for Virginia’s Future*, described in HB 2097 (Code of Virginia section §2.2-2683) as “*a planning and performance management system consisting of strategic planning, performance measurement, program evaluation, and performance budgeting.*” The Council on Virginia’s Future is responsible for designing and evaluating the *Roadmap*, but all executive branch entities are responsible for implementing the *Roadmap*. The successful implementation of a performance leadership system within the Commonwealth should result in the following:

- The creation of strategic plans that are valuable, useful management tools at all levels within the enterprise – plans that provide a context for decision-making and have the ability to bring an entire organization into focus;
- Clear visions of where organizations want to go;
- Improvements in how efficiently and effectively agencies supply products and services to their customers;
- The availability of meaningful data for sound decision-making;

- 
- The achievement of higher and more consistent levels of performance throughout the Commonwealth; and,
  - The consolidation of a number of planning and reporting requirements (e.g., information technology planning and a portion of human resource planning) into one process in order to reduce frequent demands placed on state entities, streamline the planning process, and create alignment among resources, products, services and outcomes.

HB 2097 has served as a catalyst for developing the new performance leadership system, a system that is based on best practices found within and outside of state government. This next phase of evolution positions us to improve our performance and to maintain and build on the recognition we have achieved as one of the foremost states in the area of managing performance.

## ***CREATING CHANGE***

The implementation of the new performance leadership system is an endeavor of significant proportion. The ultimate aim is to create a culture of excellence in the Commonwealth that is built on our ability to effectively plan for the future, develop appropriate strategies, measure progress, and continuously improve our operations. However, people generally do not become comfortable with change or competent in planning and performance monitoring overnight. It will take time for all of us to adjust to the new requirements – to learn the language, methods, and tools and to understand how they can be applied at all levels within the organization.

It will also take time for the performance leadership system to mature. Not all processes and procedures will be in place on day one. When they are established, they will require fine-tuning. We will need your feedback and ideas to help us discover and fix flaws in the new system and improve it over time. This will make the new performance leadership system dynamic and will ensure that it becomes the management tool it is intended to be. Please inform the Department of Planning and Budget (DPB) at [perform@dpb.virginia.gov](mailto:perform@dpb.virginia.gov) of your ideas for improvement.

The remainder of this handbook provides descriptions, definitions, examples, and guidance to individuals engaged in planning within their agencies. There is a separate section for each type of plan: agency strategic plans and service area plans. In addition, you will find a glossary and a planning calendar.

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# PLANNING OVERVIEW

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## PLANNING FOR THE COMMONWEALTH'S FUTURE

Virginia's strategic planning process comprises a parallel set of activities involving the Council on Virginia's Future and the executive branch of government (Figure 1).

- The Council establishes a vision, long-term objectives, and guiding principles for Virginia, as well as a scorecard to measure societal outcomes and to track Virginia's progress in achieving the objectives.
- Agencies within the executive branch develop and implement plans and budgets designed to support achievement of long-term objectives and fulfill their missions and mandates. In addition, agencies monitor the progress of their plans and make adjustments, as needed, to ensure desired outcomes are achieved.

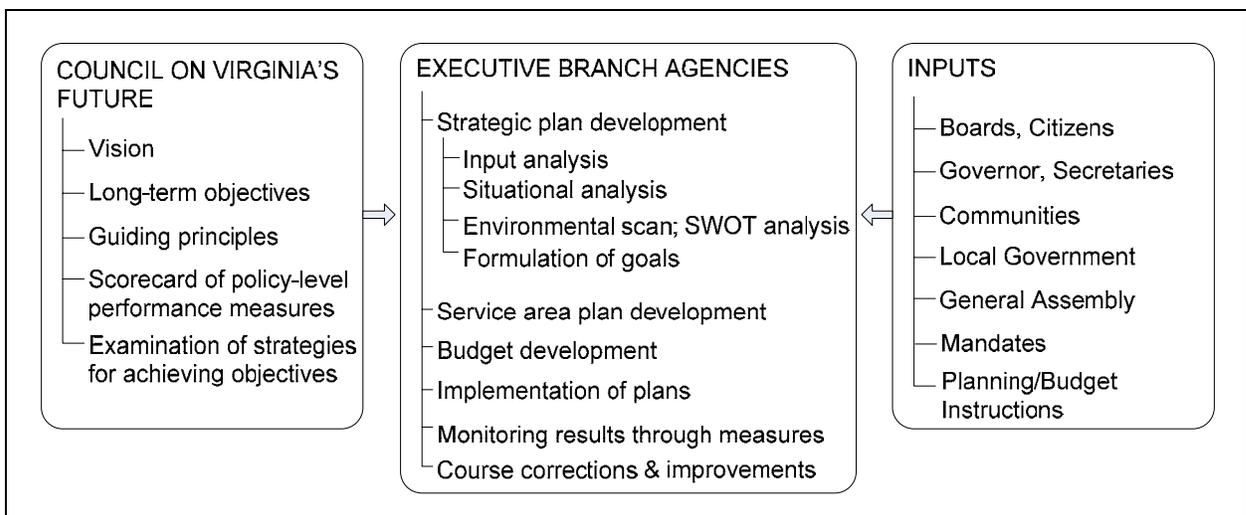


Figure 1

## HIERARCHY OF AGENCY PLANS

Within agencies, there are two primary levels of plans (Figure 2):

- **Agency Strategic Plan:** The agency strategic plan is the vehicle for the agency to tell its story and document its challenges. It is used to provide guidance to all agency departments through strategic goals that align with the long-term objectives developed by the Council on Virginia's Future. The strategic plan is a management tool used by agency leaders to monitor the agency's overall performance and make course corrections that help assess if the agency is achieving its strategic goals.
- **Service Area Plan:** The service area plan (like the agency strategic plan) is the vehicle for the service area to tell its specific story and document its challenges. Directors, managers, and supervisors within an agency use the service area plan as a management tool to assist them in monitoring the performance of the service area and to guide activities through the use of objectives and strategies. It is also used to identify budgetary requirements in support of those activities. The objectives and strategies developed will also demonstrate alignment that supports achievement of the agency's strategic goals and mission.

In the current (2005) program budgeting system, a subprogram generally equates to a service area, i.e., an area of expenditure that supports one or more products or services. A service area can cut across more than one organizational unit within an agency. Each service area forms the basic unit of budgeting and planning.

A separate plan must be prepared for each agency service area. The number of service area plans within an agency varies depending on the agency's service area structure.

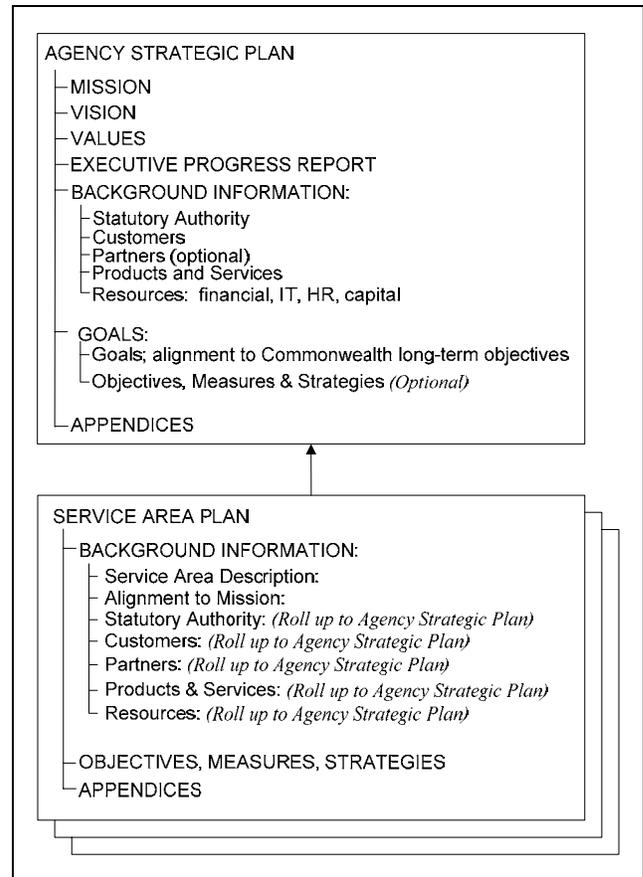


Figure 2

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## **LINKING PLANS And BUDGETS THROUGH THE SERVICE AREA STRUCTURE**

Previously, Virginia's planning and budgeting systems utilized two taxonomies. The first structure had programs and subprograms tied to the budget and accounting systems for the financial aspect. The second structure was activities that were tied to strategic planning and Virginia Results for performance measurement. These elements were not logically linked. Thus, it was not easy to connect budgets to specific agency performance management activities, measures, and targets.

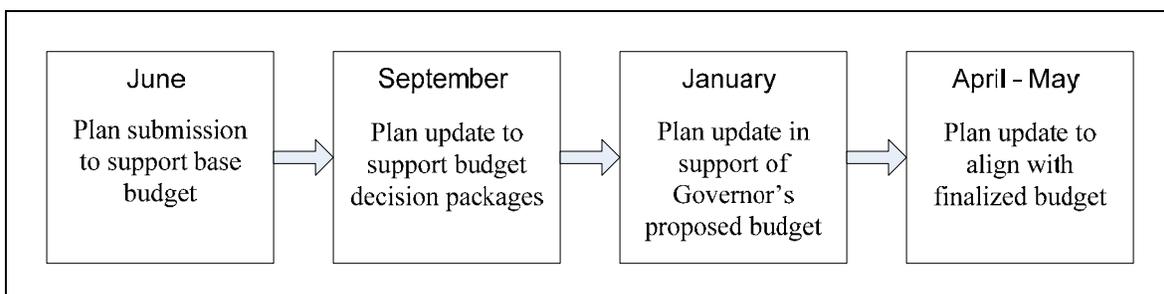
The next step for the Commonwealth in improving its performance management systems is to link activities closer to the budget through the use of the service area structure and its relationship to the budget.

- **Service Area Structure:** DPB has worked with the agencies to develop a new budget structure based around service areas. The new 'service area structure' ties categories of service areas to budgeting, accounting, strategic planning, and performance measurement. Thus, the 'service area' is the common thread that runs through planning and budgeting activities, linking them through a common taxonomy.
- **Budget:** The performance-based budgeting model ties a service area to the budget via the service area structure. Funding will be allocated at the service area level. Each service area will identify a minimum of one objective for each service area. Services areas having multiple objectives will be presented in priority order. Each objective will have one or multiple performance measures that provide management and decision makers the tools and data to make informed decisions.

## **THE PLANNING CYCLE – PLAN SUBMISSION And UPDATES**

The planning cycle is a continual process. In the spring of an odd calendar year, such as 2005, before the start of the next biennium agency strategic and service area plans will be reviewed and updated.

- **July:** Plans will be submitted to support the base budget submissions in August.
- **September:** There will be an opportunity to update the plans to support the submission of budget decision packages.
- **January:** Plans will be updated based upon the Governor's proposed budget.
- **April - May:** Plans will undergo a final update after the budget has been finalized.



**Figure 3**

As the activities of any organization can change, based upon any number of internal or external factors, there will be opportunities over the course of the biennium to realign agency and service area plans according to changing demands.

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# **AGENCY STRATEGIC PLAN**

# AGENCY STRATEGIC PLAN

The agency strategic plan provides guidance and direction to the organization and enables its leaders to monitor progress towards the organization’s stated goals. The diagram on the right depicts the overall structure of the agency strategic plan. Following is an explanation of the elements that comprise the strategic plan structure.

## Mission

The mission is a statement of an organization’s purpose; the fundamental reason for an organization’s existence. A mission statement should be broad enough to provide organization-wide strategic direction, yet specific enough to communicate the reason for the organization’s existence to those not familiar with its work.

*Example: “We put out fires, we save lives, we help people stay safe.” The Fire Department*

## Vision

The vision is a description of the ideal future state of the organization. It describes the organization at its best, i.e., where the organization intends to be in the future or where it should be to best meet the needs of stakeholders.

*Examples:*

- ❑ *“To be the premier place in which to live, work and raise a family.”*
- ❑ *“To be the greatest show on earth.”*

## Values (optional)

Values are the principles that govern behavior and the way in which the organization and its members conduct business. It is optional to include values in the agency strategic plan. Values are typically listed as words/phrases or sentences that describe the value.

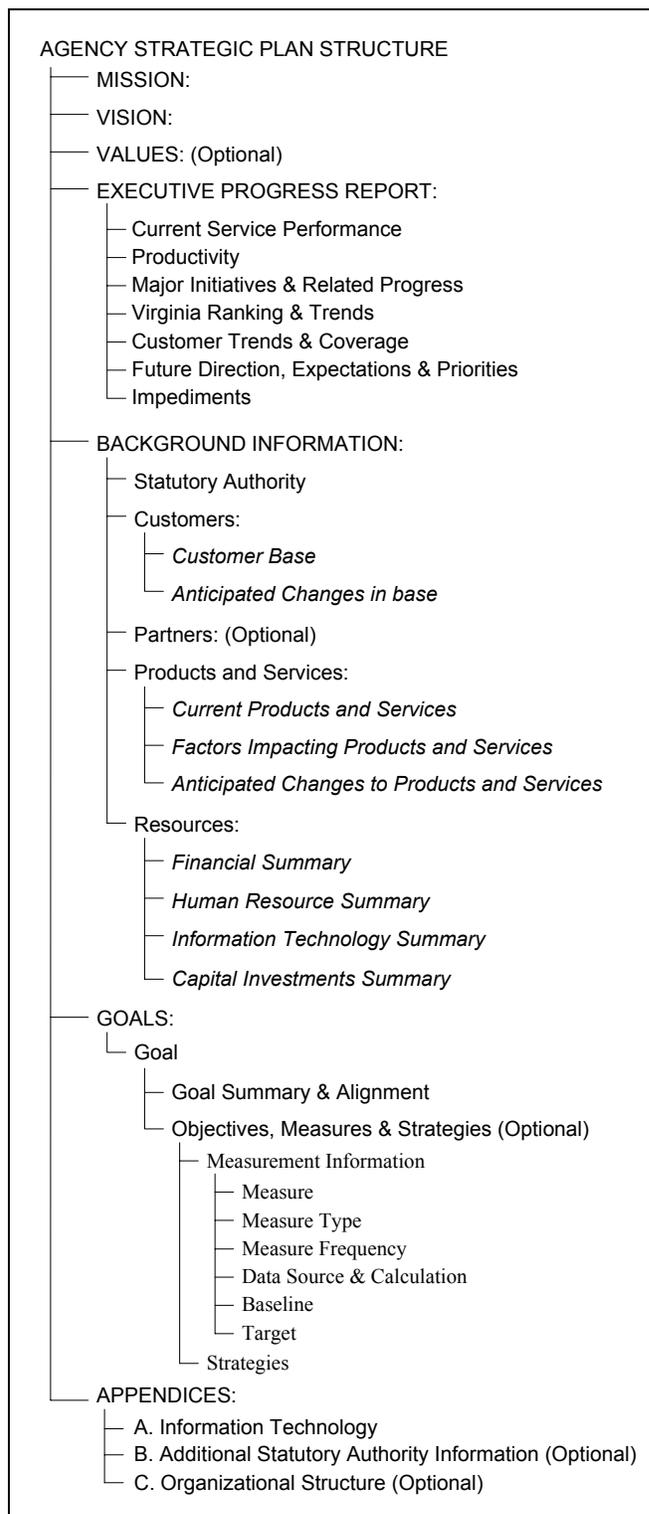


Figure 4

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*Examples:*

- Customer Focus*
- Integrity*
- Continuous Improvement*
- Personal Accountability*
- Solicit and listen intently to customer requirements and expectations.*
- Maintain an organization and network that are both effective and good stewards of public funds and trust.*

## **Executive Progress Report**

The purpose of this section is to provide an overview of current service area performance and productivity, to show progress achieved, challenges being faced, and the direction for the future. In essence, this section provides contextual information for those who are reading and attempting to understand the plans. The section should be brief, limited to about one to two pages. It should be in a narrative format, but with supporting data.

### ***Current Service Performance***

Provide an overview of current service performance for the organization as a whole, i.e. how well the organization is achieving its desired service outcomes. This may include information about such things as customer satisfaction, the percentage of eligible customers served, wait times, and output volumes.

### ***Productivity***

Provide an overview of current productivity, i.e. the efficiency and effectiveness of your organization in serving its customers. Include improvements that have been made in the prior period.

### ***Major Initiatives and Related Progress***

Highlight any major initiatives that you are currently implementing and any related progress. These would be initiatives designed to improve service, productivity, or operations.

### ***Virginia Ranking and Trends***

Indicate how your organization and service areas rank among your peers nationally in service performance and productivity. Identify the source of the ranking.

### ***Customer Trends and Coverage***

Discuss trends you are detecting in your customer base and any issues you are facing in providing coverage to customer segments statewide.

### ***Future Direction, Expectations, and Priorities***

Indicate the future direction of the organization and its service areas as it relates to serving its customers and fulfilling its mission. Identify what the expectations are for the organization and its service areas in the future. Describe the organization's priorities.

### ***Impediments***

Describe any significant challenges your organization is facing that could limit its ability to satisfy expectations and achieve its mission.

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## Background Information

The purpose of this section is to provide the context for the agency's strategic plan by explaining why the agency exists, who it serves, what it delivers to its customers, and the partners and resources it uses to accomplish its mission. This section describes the agency's current situation, as well as anticipated changes that were considered as input for the development of the agency's goals.

### *Statutory Authority*

The statutory authority section of the strategic plan should site the Federal Code, Code of Virginia, or any other source that gives the agency its authority and mandate in law and include a brief description of each.

### *Customers*

The customer section should contain a list of the agency's customers (i.e. the customer base) and should include the number of current customers being served and the number of potential customers. This section should also document any anticipated changes in the customer base. This information should be compiled from the organization's service area plans.

A customer is defined as any individual, group of individuals, organizations, or organizational units for whom products and services are supplied. Customers could be internal or external. An example of an internal customer may be the business units of the agency. An example of an external customer could be a segment of the citizen population (e.g. vulnerable adults), a business group (e.g. daycare providers), or another part of government (e.g. state or local agencies).

Do not provide a total as the different customer groups may not be mutually exclusive.

### **Customer Base:**

<b><i>Customer Description</i></b>	<b><i>Served</i></b>	<b><i>Potential</i></b>
<i>Low-income families/individuals</i>	<i>150,000</i>	<i>205,000</i>
<i>Children and their families</i>	<i>98,000</i>	<i>119,000</i>
<i>Local departments of social services</i>	<i>120</i>	<i>120</i>

*Following are additional examples of customers:*

- Businesses (including day care centers and licensed adult facilities)*
- Non-profits*
- Low-income families/individuals*
- Vulnerable adults (seniors and disabled over the age of 18) and their families*
- Children and their families*
- Custodial parents/children*
- Local departments of Social services*

### **Anticipated Changes in the Customer Base:**

*Examples of anticipated changes in the customer base:*

- 
- ❑ **Temporary Assistance to Needy Families (TANF).** – *The federal government’s restructuring of the TANF program is anticipated to increase the existing customer base by approximately 50 percent over the next five years.*
  - ❑ **Child and Family Services Review.** – *With the implementation of the Child and Family Services Review for Foster Care, it is anticipated that the changes in the customer base will produce an increase in caseloads by 33 percent by FY2007.*
  - ❑ **Low-income Families/Individuals.** – *As the economy continues to improve, the unemployment rate is expected to decrease, resulting in a corresponding decrease in the available work force pool. This, in turn, may cause employers to increase employee compensation rates to assist in employee recruitment and retention. We anticipate that this shift in the economy will produce a reduction in the number of low-income families and individuals living in Virginia. The current number of low-income families/individuals is 100,000 and is expected to decrease by three percent over the next two years if the current economic growth is sustained.*

### **Partners (Optional)**

Within the Commonwealth, there are agencies that do not have complete authority and/or responsibility for the delivery of their services directly to end customers. For example, some agencies deliver their services through a state-supervised, locally administered system (e.g. services are delivered through local governments rather than through state agency employees). Thus, the achievement of some of the agency’s strategic goals/outcomes may be dependent, in part, on the performance of the agency’s “partners.”

A partner is defined as an organization that a state agency uses or collaborates with to deliver its products and services. A partner could be another government entity, a not-for-profit organization, or a private organization.

This section is optional. If you include it, just list the types of partners you have (e.g. sub-contractors). It is not necessary to list the actual names of the partners (e.g. XYZ Corp.). You may also wish to describe, in general, the services they provide on your behalf.

*Examples of partners and the services they provide are:*

*Private contractors to provide road maintenance and snow removal*

*120 local departments of social service that report to local governments*

*Community action agencies*

*Local school divisions*

### **Products and Services**

This section lists the current products and services provided by the agency, factors impacting the products and services, and any anticipated changes. This is a summarized, high-level enterprise overview. This information should be compiled from the organization’s service area plans.

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A *service* is an action an agency takes to fulfill its mission. A *product* is an item produced by the agency. Agencies often have many products and services that span the operations of the organization, and even multiple agencies. Therefore, these products and services impact individuals, groups of individuals, organizations, or organizational units both internal and external. An example of an internal service may be the information-technology support to the business units of the organization. An example of an external service may be a service supplied to a citizen or another part of government such as state or local agencies that receive financial support.

### **Current Products and Services:**

The products and services to be described in this section are the items or assistance an organization provides to its customers. Examples include:

- Preparation of the executive budget document*
- Research and development*
- Inventory control*
- Drug testing*
- Position classification and management*
- Help desk services*
- Program evaluation*
- Strategic planning*
- Volunteerism recruitment and training*

### **Factors Impacting Products and Services:**

*Examples of factors impacting services:*

- The federal government is undertaking a review and restructuring of the Temporary Assistance to Needy Families (TANF) program.*
- The implementation of the Child and Family Service Review for foster care will impact the delivery of foster care services.*

*Note: In addition to those examples above, you may also wish to include information about the needs and expectations of your customers, which are impacting products and services.*

### **Anticipated Changes to Products and Services:**

*Examples of anticipated changes in services:*

- The federal government's restructuring of the TANF program is anticipated to increase the services offered, such as employment services that prepare individuals for the work place.*
- The anticipated changes to foster care services will require an increase in the interaction with children requiring or currently in foster care. It is anticipated that this will increase the existing caseloads by 33 percent.*

The resources section will list the organization's available resources from the financial, human resource, capital outlay, and information technology aspect.

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**Financial Resources Summary:**

The financial resources summary section starts with an overview narrative explaining the total spending budget for the agency, the composite funding streams, and any other information that explains the nature and/or destination of funds. Understanding an agency’s financial resources is key to linking strategic management guidelines to the budgeting process. This includes knowing where the resources come from and where they will be spent.

The section also contains a table that depicts the total agency budget for a two year period by fiscal year broken out into the base budget and changes to base budget. In general, the *base budget* for an agency is its prior year’s legislative appropriation. For example, the base budget amount for fiscal years 2007 and 2008 will be the FY 2006 appropriation in the 2005 Appropriation Act. The agencies and their assigned DPB analysts will work together to crosswalk the existing program and subprogram structure to the service area structure. The final base budget submission will be made to DPB in August.

*Changes to the base budget* include both technical adjustments and decision packages including new initiatives. The first set of technical adjustments will be submitted with the base budget. These technical amendments to the base will include central appropriation distributions such as changes in fringe benefit rates and salary increases, nongeneral fund increases approved this biennium administratively that will continue into the next biennium, adjustments to remove on-time expenditures and annualize partial year funding.

A second budget submission of decision packages and finalized strategic plans will occur in September. These decision packages will consist of funding requests for workload changes, new initiatives, and policy/program changes. It will be used to develop the introduced budget that is submitted to the General Assembly in December.

An example of the overview narrative:

*The chief source of funding for the agency is federal grants from the Department of Health and Human Resources. Most of these funds require a forty percent state match. The agency also collect special fund revenue from charges made to individual, insurance companies, Medicaid, Medicare, and other third party carriers.*

An example of the break down:

**Agency Budget**

	<u>Year One</u>		<u>Year Two</u>	
	<i>General Fund</i>	<i>Nongeneral Fund</i>	<i>General Fund</i>	<i>Nongeneral Fund</i>
<i>Base Budget</i>	\$90,727,965	\$97,827,758	\$90,727,965	\$97,827,965
<i>Changes to Base Budget</i>	\$3,500,000	(\$7,500,000)	\$10,000,000	\$2,000,000
<b>Total</b>	<b>\$94,227,965</b>	<b>\$90,327,758</b>	<b>\$100,727,965</b>	<b>\$99,827,965</b>

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**Human Resources Summary:**

The human resources summary section has four parts. It starts with an overview narrative explaining the composition of the work force and any challenges the agency perceives it will encounter in maintaining its current staffing levels and/or skill sets. This is followed by a tabular summary level breakdown of total Full Time Equivalent (FTE) resources by FTE type. Two narratives follow this: one documenting factors impacting human resources and the other documenting anticipated changes in human resources. An example of the overview narrative follows:

*The agency relies on a balance of salaried employees, wage employees, and contract employees to deliver various products and services to its customers. The agency has a challenge in the recruitment of staff with skill sets compatible with core service areas. It is anticipated that the agency will have human resource issues as the current work force retires*

An example of summary level breakdown is found below:

**Agency Human Resources:**

Effective Date: *June 1, 2005*

Total Position Level.....	150
Total Vacant .....	-7
Appointed/non-classified .....	4
Full Time Classified .....	100
Part Time Classified .....	39
Faculty .....	0
Wage .....	26
Contract Employees .....	7
Total Human Resource Level .....	176

**Factors Impacting Human Resources:**

This next section details the factors that impact the agency’s Human Resource levels or capabilities and, where appropriate, should relate them to specific products and services. Examples of factors impacting agency human resources are:

- The average age of the work force continues to increase.*
- Available resources with the prerequisite skill sets continue to decline. This has resulted in higher starting salaries and the development of new retention strategies.*
- Due to the discontinuation of training programs, Child Welfare Services will have reduced core competencies in its workforce.*

**Anticipated Changes in Human Resources:**

This final section details the changes the agency anticipates in its human resource levels or capabilities and, where appropriate, should relate them to specific products and services. Examples of anticipated changes in human resources are:

- Over the next five years, 25 percent of the current workforce may need to be replaced. As this occurs, additional resources will have to be invested in recruitment activities. Funds will also need to be earmarked for severance costs.*

- 
- ❑ *As a new and less experienced work force is recruited, there will be increased costs to training incoming staff.*
  - ❑ *Training and clear career progression paths and opportunities will also be a key factor in recruitment and retention. There will be associated costs tied to these issues.*

A more detailed breakdown of the agency's human resources, issues, and plans can be found in the agency's Department of Human Resource Management's Workforce Plan (See DHRM Policy 1.90, <http://www.dhrm.virginia.gov/hrpolicy/policy.html>)

### **Information Technology Summary:**

The Information Technology Summary Section is a collaboration 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 write this section.

The purpose of this section is to provide a view of the agency's information technology (IT) investments at an enterprise level across the agency as well as across the enterprise and to demonstrate how these investments support the business goals and objectives of the Commonwealth and the agency. It is organized into four sections:

- Current State/Issues,
- Factors Impacting Information Technology,
- Anticipated Changes/Desired State of the agency's 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, to identify solutions that, when implemented, will achieve the agency's desired future IT state, and to provide a summary of the financial investment required to implement its IT strategies.

Appendix A of the agency strategic plan lists all planned IT investments, i.e. new IT initiatives, active IT initiatives for which funding is allocated or needed during the next biennium, and the required financial investment associated with the 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.

At its July meeting, the Information Technology Investment Board (ITIB) completed a preliminary review of agency IT projects proposed for inclusion in the 2006 Recommended Technology Investment Projects (RTIP) report. The RTIP report, delivered annually to the Governor and General Assembly on September 1, presents the ITIB recommended Commonwealth technology investment projects and priorities for funding. At the conclusion of their July preliminary review, the ITIB reemphasized their intent to give highest priority to IT projects that involve collaboration between agencies or a potential for an enterprise solution. 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.

### **Current State/Issues**

This section documents the current as-is business environment. In other words, describe where the agency is today from a business architecture perspective. Enterprise business architecture reference materials can be found on the VITA Website at

- <http://www.vita.virginia.gov/cots/ea/library/index.cfm>
- <http://ww2.vita.virginia.gov/ea/library/ea-documents.aspx>.

List the challenges and issues the agency is facing at an enterprise or service area level. These issues are predominately internal in nature. Use this section to document the business problems that need to be solved. Discuss what will happen if this business problem is not solved in a timely manner.

*Examples:*

- The service area currently has a number of aging IT solutions that no longer meet the requirements of the business. Agency-critical applications reside on technology platforms that are outdated and increasingly hard to support from a hardware, software, and human resource perspective.*
- Agency applications are not integrated and have created a situation where productivity is being lost due to duplicate data entry. In addition, data storage costs continue to increase as individual databases continue to grow and replicate a large percentage of the same data.*

### **Factors Impacting Information Technology**

Factors impacting information technology are factors, requirements, or mandates that predominately come from external sources (e.g. increased demand from external entities, changes or increased demands in the customer base, changes in products and services provided, or new federal or state legislation). Discuss important deadlines that must be met and the consequences if they are not met.

*Examples:*

- Local government is placing demands and pressure on the state to increase the productivity of local government workers by implementing integrated, automated systems solutions that promote data sharing between local and state offices.*
- The eligible population for services has steadily increased over the last five years as a result of economic stagnation in sectors of the Commonwealth.*
- Increased demands for compliance to HIPAA and Homeland Security will necessitate a review and update of security and data encryption.*

### **Anticipated Changes/Desired State:**

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This section describes the to-be business architecture, or where the agency wants to be from a business perspective, and whether or not technology is a means to make this transition. List the solutions that will address the issues and factors previously identified.

*Examples:*

- The long-term solution will be for the agency to implement one fully integrated information technology solution.*
- Short term, the agency will develop and implement a single user sign-on that will cross all current applications and assist with the issue of productivity.*
- Short term, the agency will develop and implement a master client ID across all major existing databases to assist with the issues of productivity, integration, and connectivity.*

### **Agency IT Investments:**

This section takes each proposed IT investment in Appendix A and discusses the following:

- Which agency service area(s) the investment supports
  - ✓ Document which service area is the primary service area and why
  - ✓ Discuss which objectives and key customers within each supported service area will benefit from this investment
- How this investment will move the agency from its current business state to its desired future business state
- How this investment supports the Commonwealth Strategic Plan for Information Technology goals and objectives
  - ✓ For each goal, document whether this investment is a primary investment that directly supports the goal or a contributing investment which indirectly supports the goal
- How this investment supports the Commonwealth's overall long term objectives as established by the Council on Virginia's Future
  - ✓ For each goal, document whether this investment is a primary investment that directly supports the objective or a contributing investment which indirectly supports the objective

Enter the cost figures in the table below. These cost figures are a rollup by category of the cost figures for each investment found in Appendix A. **As an interim solution to capturing VITA**

**service fees, enter VITA service fees as a major or non-major procurement (depending on the dollar amount) in Appendix A to capture this expenditure(s) in the totals.**

Ongoing operations and maintenance costs for agency applications is often buried within the overall agency budget. In preparation for the future budget biennium 08-10, agencies are to look at ways to separate out these costs with assistance from DPB. If agencies have this information currently separated out, document it within this section in narrative form.

<i>Category</i>	<i>Cost - Year One</i>		<i>Cost - Year Two</i>		<i>Total Cost</i>
	<i>General Fund</i>	<i>Nongeneral Fund</i>	<i>General Fund</i>	<i>Nongeneral Fund</i>	
<i>Major IT Projects</i>					
<i>Non-Major IT Projects</i>					
<i>Major IT Procurements</i>					
<i>Non-Major IT Procurements</i>					
<b><i>Totals</i></b>					

Please refer to Appendix A for the detailed view of information technology investments, aligned with service areas. Also this is a reminder that agencies must post Appendix A on their Web site in the same location as their Agency Strategic Plan.

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Appendices:

**Appendix A: Information Technology Investments (Agencies must post Appendix A on their Web site in the same location as their Agency Strategic Plan)**

This detailed view of information technology investments identifies the alignment of individual IT investments to agency service area objectives, and provides additional information for each investment (i.e., costs, start and end dates, service area owner, status of investment initiative as proposed or continuing). Each investment is also classified into one of the following categories, as defined in the *Code of Virginia* and the Commonwealth Technology Management Glossary:

- IT Projects (Major and Non-Major)
- IT Procurements (Standalone and Project-Related; Major and Non-Major)

This section of the Agency's Strategic Plan is to be developed in accordance with the Guidance issued by the Project Management Division within VITA. IT Investment Planning Guidance for the upcoming Budget Biennium will be posted on the VITA Web site at

<http://www.vita.virginia.gov/ctp/investmentguidance.cfm> on April 14.

The Commonwealth will be implementing an application to capture required strategic and service planning information and to integrate information captured in the Commonwealth Agency Technology Strategic Planning Application (CATSPA). Additional functionality will also be implemented within CATSPA to allow agencies to submit required Appendix A information.

Following are the investment categories as defined in the *Code of Virginia* and the Commonwealth Technology Management Glossary.

- IT Projects (Major and Non-Major)

A project is a temporary endeavor undertaken to deliver a unique product or service.

**Major IT Project** - In the Commonwealth of Virginia, a major IT Project is any state agency information technology project that: (i) is mission critical, (ii) has statewide application, or (iii) has a total estimated cost of more than \$1 million.

**Non-Major IT Project** - In the Commonwealth of Virginia, non-major IT Projects are those technology projects with an estimated total project cost of less than \$1 million and not deemed to be mission critical or designated by the Chief Information Officer as having statewide application.

- IT Procurements (Standalone and Project-Related; Major and Non-Major)

A procurement is used to obtain goods or services and includes all activities from the planning steps, preparation and processing of a requisition, through receipt and acceptance of delivery and processing of a final invoice for payment. There are two types of information technology procurements, standalone procurements and project-related procurements.

**Standalone Procurements** – These procurements are used to obtain goods or services, not associated with a project, and include all activities from the planning steps, preparation and processing of a requisition, through receipt and acceptance of delivery and processing of a final invoice for payment. Examples: a procurement to renew an existing software license; a procurement to retain contracting services to augment existing staff; or, a procurement to buy 10 personal computers.

**Project Related Procurements** – These procurements are those that must be executed in order to complete a project. For example, if it is necessary to procure an application, hardware, or services to complete a project, the procurement cost would be included in the total project cost and would not be reported separately.

Both standalone and project-related procurements can be further classified as major or non-major.

**Non-Major IT Procurements** – Cost falls between \$50,000 and \$1 million.

**Major IT Procurements** – Cost is equal to or greater than \$1 million.

A major IT project can have major and/or non-major IT procurements. However, a non-major IT project can only have non-major IT procurements.

*Example of Appendix A (breakdown of IT projects and procurements):*

**Major IT Projects**

*The following example is a project that extends beyond the next biennium. Therefore, the estimated costs for the first and second year of the biennium do not equate to the estimated total cost. The project also has an associated procurement.*

PROJECT NAME: *Integrated Business Support System (IBSS)*

DESCRIPTION: *The IBSS is a single solution and data repository that will support the majority of service area activities within the organization.*

Is this a proposed project or the continuation of an active project? (Proposed or Continuing)				Proposed	
Planned project start date:		7/1/2006	Planned project end date:		
			7/1/2009		
Estimated Costs:		Total	General Fund	Nongeneral Fund	Nongeneral Fund Type
Project cost (estimate at completion):		\$5,250,000	\$2,250,000	\$3,000,000	
Estimated project expenditures first year of biennium:		\$1,150,000	\$1,000,000	\$150,000	Federal
Estimated project expenditures second year of biennium:		\$3,350,000	\$1,000,000	\$2,350,000	Other
Funding Required:		Total	General Fund	Nongeneral Fund	Nongeneral Fund Type
Funding required for first year of biennium:		\$1,000,000	\$1,000,000	\$0	
Funding required for second year of biennium:		\$1,000,000	\$1,000,000	\$0	
Service Areas served by this project:		Project Owner:	Objectives supported:	Customers Served	
Child Welfare Services		Y	1,3,5	<i>Children and their families Custodial parents/children</i>	
Customer Services		N	2	<i>Local departments of Social Services</i>	
Payment Processing		N	4	<i>Custodial parents/children</i>	

Procurements associated with this project:

Note: Identify below procurements that are related to the above project. The cost of these procurements, even though identified below, should also be included in the cost estimates above.

Procurement Description:	Microsoft Middleware		
Planned delivery date:	9/1/2006	Procurement cost (estimate at completion):	\$750,000

**Non-Major IT Projects**

The following example is a project that has allocated funds and will be completed in the next biennium. Therefore, the estimated costs for the first and second year of the biennium do equate to the estimated total cost. The project also has an associated procurement.

PROJECT NAME: *Single User Sign-on (SUS)*

DESCRIPTION: *The SUS will provide the user community a single access point to all automated solutions negating the need for multiple user IDs and passwords.*

Is this a proposed project or a continuation of an existing project? (Proposed or Continuing)				Continuing	
Planned project start date:		7/1/2005	Planned project end date:		
			3/31/2007		
Estimated Costs:		Total	General Fund	Nongeneral Fund	Nongeneral Fund Type
Project cost (estimate at completion):		\$750,000	\$750,000	\$0	
Estimated project expenditures first year of biennium:		\$750,000	\$750,000	\$0	
Estimated project expenditures second year of biennium:		\$0	\$0	\$0	
Funding Required:		Total	General Fund	Nongeneral Fund	Nongeneral Fund Type
Funding required for first year of biennium:		\$0	\$0	\$0	
Funding required for second year of biennium:		\$0	\$0	\$0	
Service Areas served by this project:		Project Owner:	Objectives supported:	Customers Served	
Administrative and Support Services		Y	1,2	<i>Agency Staff and Local Case Workers</i>	
Customer Services		N	2	<i>Local departments of Social Services</i>	

Procurements associated with this project:

Note: Identify below procurements that are related to the above project. The cost of these procurements, even though identified, below should also be included in the cost estimates above.

Procurement Description:	ABS Software		
Planned delivery date:	7/1/2006	Procurement cost (estimate at completion):	\$350,000

**Standalone Major IT Procurements**

Procurement Description:		Maintenance of AMS Case Management System	
Planned delivery date:		7/1/2006	Procurement cost (estimate at completion): \$1,350,000
Service Areas served by this procurement:	Procurement Owner:	Objectives supported:	Customers Served
Customer Services	Y	2	<i>Children in foster care</i>

**Standalone Non-Major IT Procurements**

Procurement Description:		<i>Purchase 40 additional licenses of XYZ software</i>	
Planned delivery date:		9/1/2006	Procurement cost (estimate at completion): \$150,000
Service Areas served by this procurement:	Procurement Owner:	Objectives supported:	Customers Served
Administrative Services	Y	4	<i>Case workers</i>

**Capital Investments Summary (if applicable)**

This section presents the agency’s view of capital outlay investments over the next two years. It identifies, at the enterprise level, the Current State/Issues, Factors Impacting Capital investments, and Capital Investment Alignment. These categories provide an opportunity for the agency to identify issues and challenges they are encountering in the area of capital planning. This section needs to be completed only by agencies that will have capital investments including capital outlay leases.

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### **Current State/Issues:**

Current State/Issues documents agency opportunities, challenges and issues. Examples are:

- There are a number of aging facilities that are no longer cost effective to maintain.*
- Due to residents with more physical handicaps, interior renovations will be necessary to accommodate wheelchairs and walkers.*
- A declining census will result in more vacant space. Consolidation of existing programs could reduce overhead costs.*

### **Factors Impacting Capital Investments:**

Factors impacting capital investments are factors, requirements, or mandates that predominately come from external sources. Examples are increased demand from external entities, changes in customer base, and changes in products and services provided.

*Examples of factors impacting capital investments:*

- The need to repair or upgrade major building components due to the general aging of buildings, many of which are in excess of 40 years old;*
- Increasing and changing demands for state products and services;*
- Modifications in building codes and changes in compliance with other federal and state mandates that require significant investment in existing facilities to maintain healthy and safe conditions;*
- The rapidly changing nature of technology.*

### **Capital Investment Alignment:**

Describe how the capital investments detailed in your Capital Improvement Plan align to the mission of your agency, its strategic direction, or any mandates. Also, describe how these investments align with Virginia's long-term objectives.

*Examples:*

- The Virginia State Police provide high quality, statewide law enforcement services to the people of Virginia and visitors. This includes promoting public safety through enforcing the criminal and motor vehicle laws of the state, and be independent yet supportive of other law enforcement agencies. As the State's lead law enforcement agency, the Department has statewide law enforcement jurisdiction, except in the independent cities. The State Police currently coordinate field operations through 47 area offices spread throughout the state.*

*A major emphasis of the State Police's capital improvement program is the development of the STARS (Statewide Agencies Radio System) and related support systems. It was originally conceived to replace the state's police's radio system, but will support the communications needs of over 20 state agencies as well as interoperability with local law enforcement. This system will allow the State Police to help ensure the public safety needs of the Commonwealth.*

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## Goals

The goal section is used to list each of the goals identified by the organization and additional supporting information. These goals will be used to guide the organization and will provide a reference point to which service area plan objectives can align.

A goal is a broad statement of the long-term results needed to accomplish the organization's mission and achieve its vision. It is typically phrased in general language, such as *strengthen, serve, become, and improve*. Alternatively, a goal may include a broad performance target to be achieved in a specific timeframe (e.g. *to be in the top quartile in the nation; to achieve a 50 percent improvement by FY200X*). It is recommended that an organization not have an overwhelming number of goals. Approximately five to seven goals are generally considered manageable. Even though the planning period is tied to a biennium, a goal is long term and may extend past that period.

*Examples of strategic goals:*

**Goal:** *Enhance the independence, well being, and personal responsibility of customers.*

**Goal:** *Cultivate a diverse workforce capable of accomplishing the system's mission.*

**Goal:** *Rank among the top 10 states in the U.S. in the number of successful adoptions of children with disabilities by FY2007.*

## Goal Summary and Alignment

The goal summary and alignment section is used to provide a narrative overview of the goal, its purpose, and its alignment.

*Examples:*

*By assisting citizens to become independent and achieve a level of personal responsibility they will, in turn, achieve a higher level of well-being. This will increase the available work force within Virginia and assist in economic growth. This aligns with the economic long-term objective of Virginia.*

*In enabling the department to achieve efficiency and effectiveness benefits and to support Virginia's long-term objective of Best Managed State, it must ensure it has a workforce that is capable of the challenges posed.*

## Example Goal, Goal Summary, and Alignment

**Goal #1:** *Enhance the independence, well-being, and personal responsibility of customers.*

**Goal Summary and Alignment:**

*By assisting citizens to become independent and achieve a level of personal responsibility, they will, in turn, achieve a higher level of well-being. This will increase the available work force within Virginia and assist in economic growth. This aligns with the economic long-term objective of Virginia.*

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## Objectives, Measures and Strategies (Optional)

This section of the document will discuss the use of objectives, measures and strategies at the agency strategic plan level. Although not a requirement of the state's planning model, as a best practice and as a good management tool, their use is recommended. The benefit of having objectives, measures and strategies at this level is to provide the leadership of an organization with a tool by which they can, from an enterprise perspective, provide guidance, identify desired results, monitor progress and target specific activities/strategies to help achieve those desired results.

### Objectives

An objective is a description of the results that, when achieved, moves an organization toward its stated goals. There can be any number of objectives associated with a goal. An objective could have one or more of the following key characteristics.

#### Key Characteristics

- Describes results needed to accomplish the goal
- Measurable
- Usually begins with an action verb
- Supports multiple initiatives or strategies
- Collectively addresses key business areas

#### *Specific Example:*

Promote self-sufficiency.

### Measurement Information

#### Measure

A measure is a meaningful indicator used to determine performance: a criterion or value used to determine the magnitude or degree of something, a tool used by management and members of the organization to determine the effect initiative and activities are having on the accomplishment of objectives and goals. Measures are assigned to objectives. An objective can have one or multiple measures. As there are also different types of measures (as can be seen in Measure Type below) an objective can be measured different ways to ensure the desired results are being achieved. When establishing measures it is highly recommended that data be gathered and results monitored monthly.

#### *Following are examples of measures.*

- Violent crime rate*
- Customer satisfaction rating*
- Employee turnover rate*

#### *Specific Example (Outcome Measure):*

Initial employment income of VIEW clients.

---

## Measure Type:

Measurement commonly occurs in one of three different formats, input, output, or outcome. Any number of measures can be assigned to an objective or to whatever an organization wishes to measure. Measure Type is used to specify the type of measure being used. (e.g. input, output, or outcome)

*Following are definitions and examples of measures:*

### **Input Measure**

**Definition:** A measure that describes the amount of resources used to conduct an activity, produce an output or provide a service; usually consists of a single numeric value (e.g., \$2,000 spent on conference fees); a type of workload measure.

**Examples:** *Number of hours used to analyze a new software package.  
Amount of money invested/spent.*

### **Output Measure**

**Definition:** A measure that describes the amount of work completed or output produced; usually consists of a single numeric value (e.g., 47 people trained); a type of workload measure.

**Examples:** *Number of service calls closed.  
Number of customer calls received.  
Number of system updates completed.  
Number of care packages delivered.*

### **Outcome Measure**

**Definition:** A measure that describes the results achieved by an activity compared to the activity's intended purpose; the extent to which a service or activity has impacted its intended audience.

**Examples:** *Problem resolution rate.  
Customer satisfaction rate.  
Employee retention.*

## Measure Frequency:

Measurement can occur in different cycles, monthly, quarterly, annually, etc. Identify the frequency of the measure.

*Following is an example.*

**Monthly.**

## Data Source and Calculation:

Identify the source of the measurement data that will be used and give a description of how any calculations for the measure will work.

*Following is an example of data source.*

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*The data will be captured from the VIEW application as entered by the case workers on each individual client.*

*Following is an example of the calculation.*

*The data captured will be aggregated across individuals and at each location to give an average for that locality. It will then be accumulated and aggregated to give an organization wide prospective.*

#### Baseline:

A baseline is a description or measure of the current state. It is the starting point from which an organization improves and begins to measure. Each measure established will have an associated baseline.

*Following are examples of baselines.*

- Monthly violent crime rate is 15 crimes in FY 2004.*
- Customer satisfaction rating is 82 percent, September to December 2004.*
- Employee turnover rate is 12 percent for FY 2003.*

*Specific Example:*

The initial income of VIEW clients is currently averaging \$12,000 per year.

#### Target:

A target is the specific level of performance the organization is striving to achieve. A desired level of performance of an objective which can be measured within a specific point in time, usually expressed as a number or percentage.

*Following are examples of targets.*

- Decrease monthly violent crime rate by three percent in 2004.*
- Customer satisfaction rating will increase to 89 percent by end of 2003.*
- Reduce employee turnover rate by two percent each year in fiscal years 2003 and 2004.*

*Specific Example:*

Increase the initial employment income of current TANF clients in the Virginia Initiative for employment not Welfare (VIEW) program by 3 percent each fiscal year in fiscal year 2004 through 2006.

#### Strategies:

Strategies are actions that support the accomplishment of the strategic plan and deliver the results needed to accomplish goals and objectives. The methods of achieving an objective are the actions or tasks an agency intends to carry out to accomplish its objectives within a specified time frame. Normally, these high level strategies become objectives and action items within or across specific business/service areas.

*Following are examples of strategies.*

- Increase police presence in high crime areas.*
- Implement customer satisfaction training for all employees.*

- ❑ *Establish an employee awards and recognition program.*

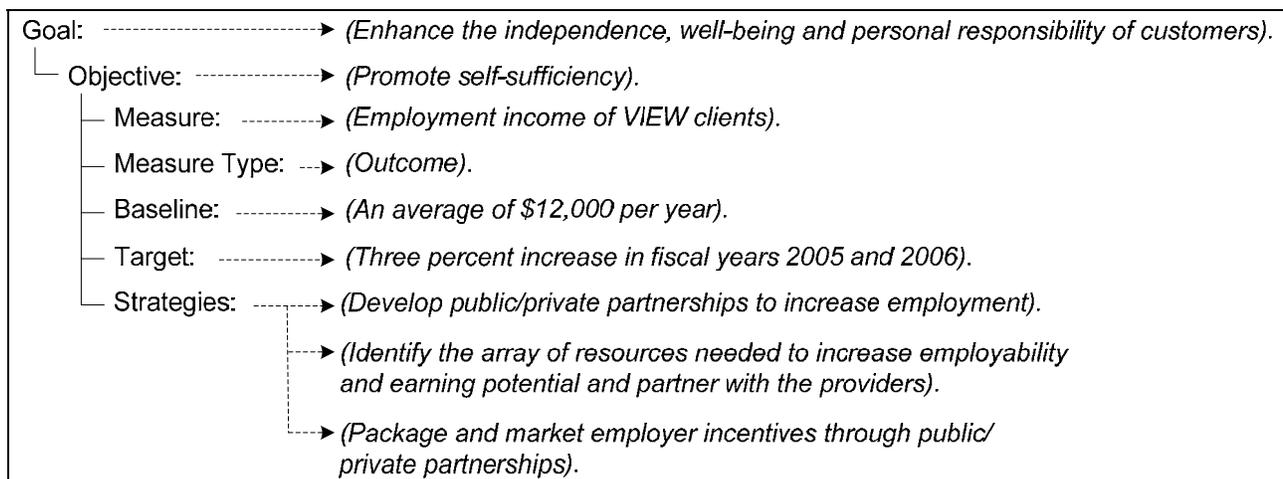
*Specific Example:*

- ❑ *Develop public/private partnerships to increase employment.*
- ❑ *Identify the array of resources needed to increase employability and earning potential and partner with the providers.*
- ❑ *Package and market employer incentives through public/private partnerships.*

### Specific Example Review:

Below, Figure 5 depicts the structure starting with a goal. This diagram also depicts the relationship of each of the elements within the structure; it also includes the actual specific examples used in the prior section.

As previously stated, the goal is a broad, general statement of the long-term results needed to achieve the organization’s mission and vision. In this example it is to “*Enhance the independence, well-being and personal responsibility of customers.*”



**Figure 5**

Having established the goal, objectives should be identified next. These are descriptions of the results that, when achieved, moves an organization toward its stated goals. In this case the objective is to “*Promote self-sufficiency.*” The owners of the goal believe that in having self-sufficiency as a desired result for customers it will assist in enhancing their independence, well-being, and personal responsibility.

Now that a desired result has been identified using an objective, the next step is to understand how to measure progress towards that result. In this case, the organization uses the “*Employment income of VIEW clients.*” By monitoring this aggregate number, management could see if activities the organization has invested in are having the desired effect. If the measure does not move in the desired or expected direction, then the organization should analyze the situation to understand why and take any necessary corrective action.

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The type of measure being used here is an “outcome” measure. The various types of measures are described in the “Measure Type” section of this document.

Once a measure and its associated data have been identified, a baseline needs to be established. A baseline is the point from which the measure starts. In this case the “*Initial employment income of VIEW clients*” has been determined to be an average of \$12,000 per year. This now establishes the point from which to start measuring.

The next element to establish is the target. Simply put, the target is the level of desired result the organization is looking for. For “*Initial employment income of VIEW clients*” this organization is looking for a three percent increase in each fiscal year 2005 and 2006. This increase is what the organization will be working towards.

Now that the goal, objective, and measurement information is in place, attention can turn to the strategies. Strategies are the specific actions or tasks an organization will carry out to accomplish its objectives. These are the methods of achieving an objective. To help “*Promote self-sufficiency*” the organization will implement three key strategies.

- Develop public/private partnerships to increase employment.*
- Identify the array of resources needed to increase employability and earning potential and partner with the providers.*
- Package and market employer incentives through public/private partnerships.*

As each of these strategies is implemented, the organization will monitor its performance measures to see if these investments are having the desired results. If the performance measures are not moving in the expected direction, then the organization should analyze the data to determine the cause and act. This may entail abandoning one or more of the current strategies and implementing a different approach.

To summarize: *To “Enhance the independence, well-being and personal responsibility of customers” one of the desired results will be to “Promote self-sufficiency.” To be able to measure the level of self-sufficiency, the organization will monitor the “Initial employment income of VIEW clients” and will be looking for a three percent increase each year for the next two years, from its current position of \$12,000 dollar per year. To stimulate the rise in income, the organization will implement three strategies. 1) Develop public/private partnerships to increase employment. 2) Identify the array of resources needed to increase employability and earning potential and partner with the providers. and 3) Package and market employer incentives through public/private partnerships.*

---

Appendices:

**Appendix A: Information Technology Investments**

The information technology investments section is a detailed view that identifies the alignment of individual IT investments to agency service area objectives, and provides additional information for each investment (i.e., costs, start and end dates, service area owner, status of investment initiative as proposed or continuing). This section of the Agency's Strategic Plan is to be developed in accordance with the Guidance issued by the Project Management Division within VITA.

The Commonwealth will implement an application to capture required strategic and service planning information and to integrate information captured in the Commonwealth Agency Technology Strategic Planning Application (CATSPA). Additional functionality will also be implemented within CATSPA to allow agencies to submit required Appendix A information.

**Appendix B: Additional Statutory Authority Information (Optional)**

In this appendix the agency may insert any additional information on statutory authority it feels should be communicated.

**Appendix C: Organizational Structure (Optional)**

In this appendix the agency may insert its organizational structure. The organizational structures inserted here should not contain names.

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# **SERVICE AREA PLAN**

## **Service Area Plan**

The service area plan is a management tool that details what a specific service area is planning to achieve. It assists management in being able to proactively identify what products and services are supplied and how they align with mandates or the strategic direction of the organization. It assists in the identification of issues around customers, products, and services, such as any changes and challenges. It assists in identifying current and future resource levels such as funding. It allows management and the service area to set clear objectives and how progress toward achieving them will be measured. It allows for the identification of precise actions in the form of strategies that will contribute to the achievement of the objective.

From a managerial perspective, the measures established will assist in identifying whether specific strategies being implemented have the desired effect in moving toward the achievement of the objective.

### **Background Information**

#### ***Service Area Description***

Provide a brief overview of the service area and its purpose.

#### ***Alignment to Mission***

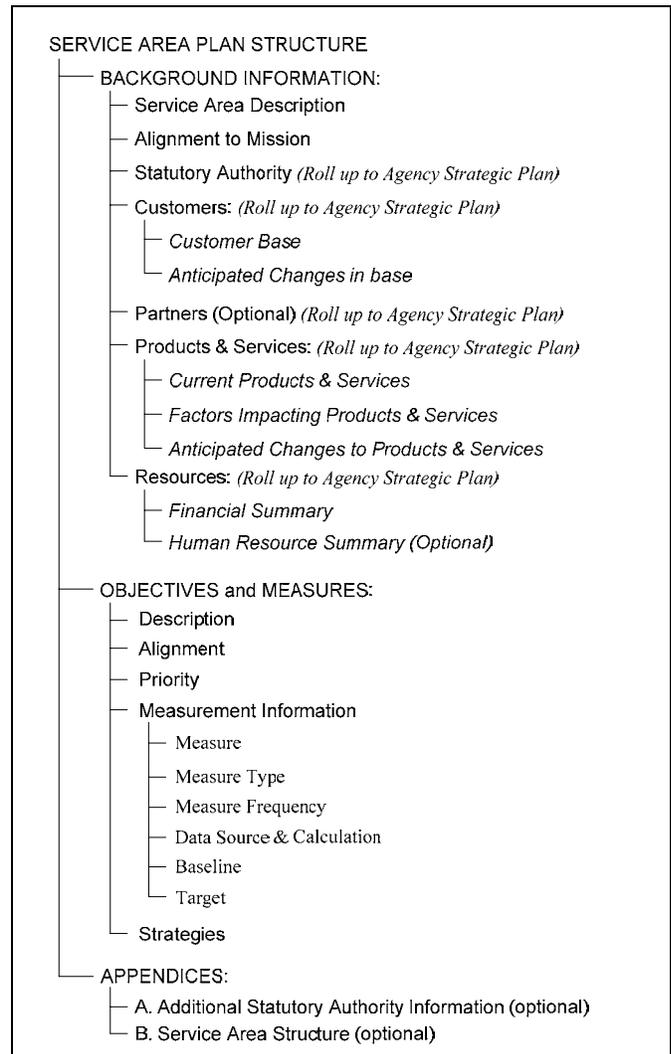
Describe how the service area supports the mission of the organization.

#### ***Statutory Authority***

The information captured here will also roll up to the agency strategic plan. *(For a definition of Statutory Authority see “Agency Strategic Plan - Background Information - Statutory Authority”).*

#### ***Customers***

The information captured here will also roll up to the agency strategic plan. *(For a definition of Customers and format for this section see “Agency Strategic Plan - Background Information - Customers”).*



**Figure 6**

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## **Partners**

This section is optional. If you use it, the information captured here will also roll up to the agency strategic plan. *(For a definition of Partner see “Agency Strategic Plan - Background Information - Partners”)*.

*Examples of how a service area might use this section in its service area plan:*

*The foster care service Area uses local governments as well as 10-12 private and not-for-profit entities throughout the state to recruit foster parents.*

*The adoption service area uses local governments as well private and not-for-profit entities throughout the state for its recruiting process.*

## **Products and Services**

The information captured here will also roll up to the agency strategic plan. *(For a definition of Products and Services and format for this section see “Agency Strategic Plan - Background Information - Products and Services”)*.

## **Resources**

The resources section will list the service areas’ available resources from the financial and staffing perspective.

### **Financial Resource Summary:**

The information captured here will be a service area view. It will roll up to the agency strategic plan. *(For a definition of Financial Resource Summary see “Agency Strategic Plan – Resources – Financial Resource Summary”)*.

### **Human Resource Summary: (Optional)**

The information captured here will be a service area view. It will roll up to the agency strategic plan. *(For a definition of Human Resource Summary see “Agency Strategic Plan – Resources – Human Resource Summary”)*.

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## Objectives and Measures

The Objectives and Measures section of the service area plan will document the objectives the service area wishes to achieve, the alignment of the objective to a mandate or to the strategic direction of the organization, the measures that will be used to assess if the supporting strategies are having the desired effect, and the ultimate level of success achieved.

### Objective

State the service area objective to be undertaken.

*Example:*

*To improve customer satisfaction with products and services offered.*

### Description

Provide a brief narrative overview of the objective, including its purpose.

*Example:*

*As good stewards of public funds it is vitally important that this service area understand the level of customer satisfaction in the product and services being provided and ensures it is at the highest level possible. The information gathered by this objective will benefit the organization by helping it understand not only the satisfaction with current products and services but also allow the service area to improve through the identification of gaps in service and any problems with delivery vehicles.*

### Alignment

Provide a brief description of how this objective aligns with a mandate the service area has or the strategic direction of the organization. In addition, identify how this objective aligns to the long-term objectives of Virginia.

*Example:*

*The product and services provided by this service area are mandated in section 2.2-1500 of the Code of Virginia. In addition, this objective aligns to the strategic direction of the organization under goal 4 "Deliver high-quality customer-focused services" and with the long-term objective of Virginia to be the "best managed state."*

### Priority

Establish a numeric priority for the objective relative to the other objectives in the plan. Priorities will be one through however many objectives there are with one being the highest priority.

---

## Measurement Information

A measure is a meaningful indicator used to determine performance, a criterion, or value used to determine the magnitude or degree of something. Measures are a tool used by management and members of the organization to determine the effect initiatives, strategies, and activities are having. An objective can have one or multiple measures. As there are also different types of measures (as can be seen in Measure Type below), an objective should be measured in different ways to ensure the desired results are being achieved. When establishing measures, it is highly recommended that data be gathered and results monitored at least monthly.

### Measure:

Identify what is to be measured and used as an indicator.

*Examples of measures:*

- Violent crime rate*
- Customer satisfaction rating*
- Employee turnover rate*

*Specific Example (Outcome Measure):*

Customer satisfaction with products and services offered.

### Measure Type:

Measurement commonly occurs in one of three different formats, input, output, or outcome. Any number of measures can be assigned to an objective or to whatever an organization wishes to measure. Measure Type is used to specify the type of measure being used (e.g. input, output, or outcome).

*Example of how the measure type will be defined.*

**Outcome.**

*Definitions and examples of measures.*

#### **Input Measure**

**Definition:** A measure that describes the amount of resources used to conduct an activity, produce an output, or provide a product or service, usually consists of a single numeric value (e.g. \$2,000 spent on conference fees,); a type of workload measure.

*Examples: Number of hours used to analyze a new software package.  
Amount of money invested/spent.*

#### **Output Measure**

**Definition:** A measure that describes the amount of work completed or output produced; usually consists of a single numeric value (e.g. 47 people trained,); a type of workload measure.

*Examples: Number of service calls closed.  
Number of customer calls received.*

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*Number of system updates completed.*  
*Number of care packages delivered.*

**Outcome Measure**

**Definition:** A measure that describes the results achieved by an activity compared to the activity's intended purpose, the extent to which a service or activity has impacted its intended audience.

**Examples:** *Problem resolution rate.*  
*Customer satisfaction rate.*  
*Employee retention.*

**Measure Frequency:**

Measurement can occur in different cycles: monthly, quarterly, annually, etc. Identify the frequency of the measure.

*Example:*

*Monthly.*

**Data Source and Calculation:**

Identify the source of the measurement data that will be used and give a description of how any calculations for the measure will work.

*Example of data source:*

*The data will be captured in a survey of customers as they complete their interaction with the local departments.*

*Example of the calculation:*

*The data captured will be aggregated at each location to give an average for that locality. It will then be accumulated and aggregated to give an organization wide prospective.*

**Baseline:**

A baseline is a description or measure of the current state. It is the starting point from which an organization improves and begins to measure. Each measure established will have an associated baseline.

*Example:*

*Customer Satisfaction is currently 67 percent.*

**Target:**

A target is the specific level of performance the organization is striving to achieve. A desired level of performance of an objective which can be measured within a specific point in time, usually expressed as a number or percentage.

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*Example:*

*Increase the number of customers satisfied with the products and services offered by three percent each fiscal year in fiscal years 2005 and 2006.*

### Strategies:

Strategies are actions that support the accomplishment of the plan and deliver the results needed to accomplish objectives. Normally these strategies become action plans and specific tasks within or across service areas. While monitoring measures, it is the adjustment of these strategies that will influence the direction of the measures.

*Examples of strategies:*

- Conduct a survey to measure customer satisfaction.*
- Establish a customer service feedback system.*
- Develop customer service standards.*
- Establish a culture that believes good customer service is everyone's job.*

## APPENDICES

### **Appendix A: Additional Statutory Authority Information (Optional)**

In this appendix the agency may insert any additional information on statutory authority it feels should be communicated.

### **Appendix B: Organizational Structure (Optional)**

In this appendix the agency may insert its organizational structure. The organizational structures inserted here should not contain names.

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# **ANNUAL PLANNING CALENDAR**

# ANNUAL PLANNING CALENDAR

## Planning Calendar Overview

One of the keys in understanding the process of strategic planning, service area planning, and performance based budgeting is the planning cycle. This is best explained through the annual planning calendar. The calendar will depict the high level standard cyclic events that take place over the period of a biennium and will show the relationship between them. Below are two calendars. The calendar headed “Example” spans the period of four calendar years, showing three bienniums with each biennium consisting of years one and two. Below in the section titled “The Cycle” is an explanation of the example calendar. Following the example calendar is a calendar headed “Actual” which depicts the actual event and respective dates for the next four calendar years.

### The Cycle:

- The annual planning calendar of events starts in the spring of calendar year one when agencies prepare their service area and strategic plans for biennium two. These plans will be used to create and support the base budget of the organization.

<b>Calendar Year One</b>	
July 15	Strategic and service area plans will be submitted.
August 1	Organizations will submit their base budgets.
September 20	Decision packages will be submitted supported by updates to the service area and strategic plans.
<i>Note: After the submission of the decision packages, plans will undergo a continuous process of review for alignment to policy and finance. This review process will end on January 10.</i>	
December 20	Governor will publish the budget to be presented to the General Assembly. Plans will be updated to align with budget.
<b>Calendar Year Two</b>	
April 30	Budget approved.
May 31	Strategic and service area plans will be updated based upon the outcome of the budget.
<i>Note: Plans are executed July 1, at the start of the biennium. The collection of measurement data starts. Agency management teams can begin the process of monitoring, managing, and decision making based upon data collected and indicators read.</i>	
October 18	Decision packages will be submitted for the second year of the biennium
November 1	Strategic and service area plan updates to reflect 2006 General Assembly budget actions (Chapter 3).
<i>Note: After the submission of the decision packages, plans will undergo a continuous process of review for alignment to policy and finance. This review process will end on January 10.</i>	

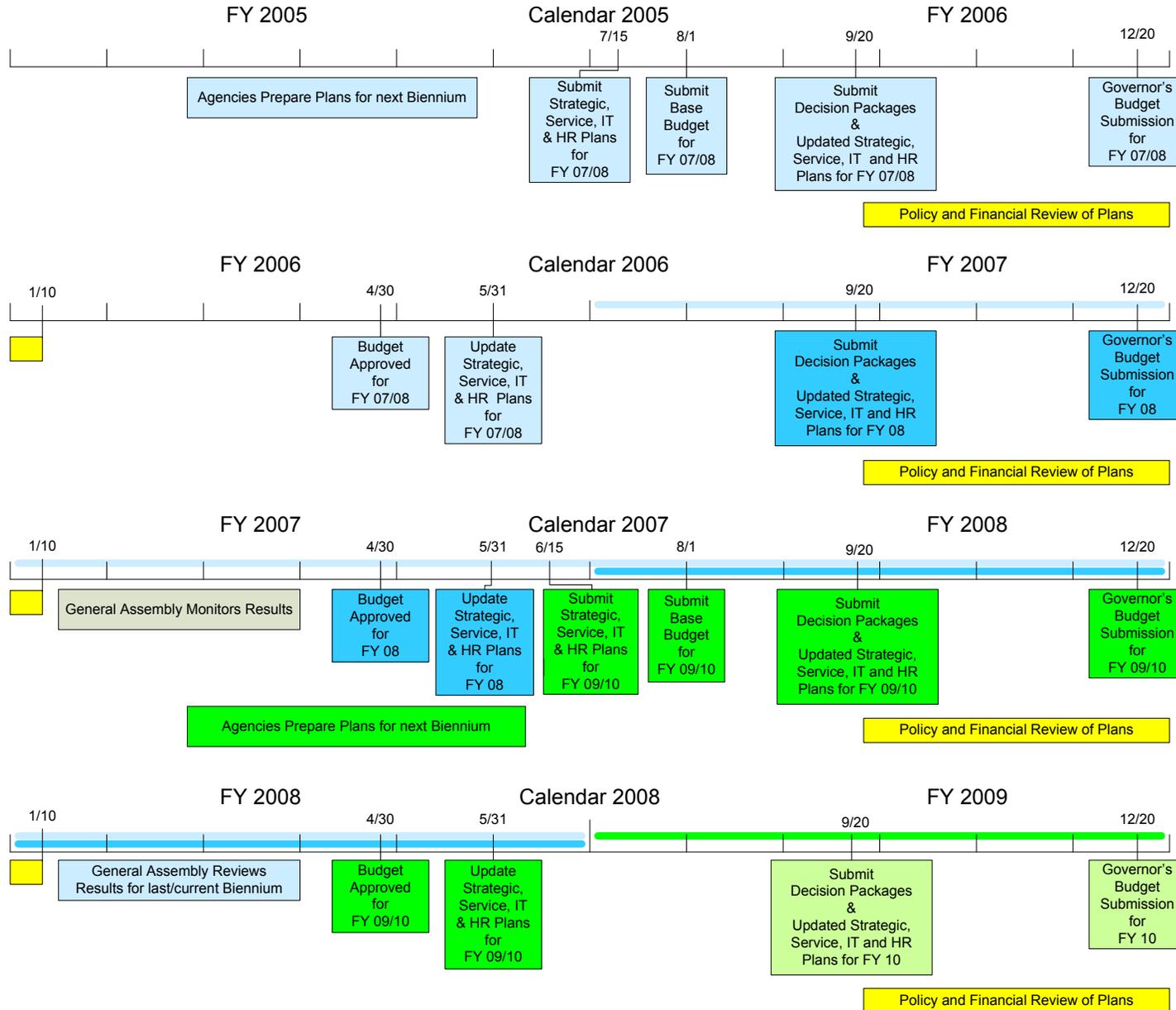
December 20	Governor will publish the budget to be presented to the General Assembly. Plans will be updated to align with budget.
<b>Calendar Year Three</b>	
Spring	Agencies start the process of reviewing and updating service area and strategic plans for biennium three using data collected and performance achieved to date. These plans will support the submission of the base budget.
April 30	The budget for biennium two ( <i>year two</i> ) is approved.
May 31	Updated strategic and service area plans will be submitted for biennium two ( <i>year two</i> ) based upon the outcome of the budget.
June 15	Updated strategic and service area plans for biennium three will be submitted.
<i>Note: On July 1, 2007 the execution of updated biennium plans continues.</i>	
August 1	Organizations submit their base budgets for biennium three.
September 20	Decision packages will be submitted supported by updates to the service area and strategic plans for biennium three.
<i>Note: After the submission of the decision packages, plans will undergo a continuous process of review for alignment to policy and finance. This review process will end on January 10.</i>	
December 20	Governor will publish the budget to be presented to the General Assembly. Plans will be updated to align with budget.
<b>Calendar Year Four</b>	
April 30	Budget for biennium three is approved.
May 31	Updated strategic and service area plans will be submitted based upon the outcome of the budget.
<i>Note: Plans are executed July 1, calendar year three, for biennium three.</i>	

As can be seen from the above cycle, after the strategic and service area plans have initially been created they can be simply maintained by a cyclic process and resubmitted with each required update. Below is a diagram of the annual planning calendar; it is recommended that this calendar be printed in color for readability.

*Note: The dates in the Annual Planning Calendar may vary based upon factors such as:*

- Extension of the General Assembly session.*
- Governor's amendments at the re-convened session.*
- Governor's vetoes.*

## ANNUAL PLANNING CALENDAR (Actual)



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# **GLOSSARY OF TERMS**

## GLOSSARY

Alignment	Alignment means that elements of plans at various tiers of government are synchronized. Alignment ensures that everyone is moving toward the same vision.
Annual Planning Calendar	The annual planning calendar identifies when steps within the planning cycle are to be completed and when outputs (e.g., a plan or budget) are to be delivered.
Baseline	A baseline is a description or measure of the current state. It is the starting point from which an organization improves.
Benchmark	<p>(Noun) A benchmark is the level of performance that a best-in-class organization has achieved. It is used by organizations as a basis for comparison and as input for establishing performance targets.</p> <p>(Verb) To benchmark means to search for best practices and exceptional performance levels in best-in-class organizations.</p>
Customer	<p>Customers are persons, groups, or organizations directly impacted by the products and services an organization provides. Customers can be classified as internal (i.e. co-workers, other departments within an organization) or external (i.e. service recipients, purchasers of your products). They are often referred to by different names (e.g. client, citizen, patient), depending on the industry.</p> <p>Any person, group or organization that has a vested interest in the agency's attention, resources or services or is affected by what the agency does or the service it provides; the primary intended beneficiaries of agency services, the group(s) of individuals whom the agency exists to serve.</p>
Deliverables (Products And Services)	<p>Deliverables are the products or services that the customer receives.</p> <p><i>Examples: Paychecks, Catalogs, Information</i></p>
Driver	A driver (or driving force) is something that strongly impacts an outcome. It is a root or contributing cause of an effect.
Efficiency Measure	Tracks the amount of outputs or outcomes produced in relation to inputs used; typically expressed as cost or time used per output/outcome (i.e. outputs/outcomes ÷ inputs).
Goal	A goal is a broad, general statement of the long-term results needed to achieve the mission and vision. It is typically phrased in general language, such as <i>Strengthen, serve, become, or improve</i> . A goal is clarified by the objectives associated with it.
Goal Champion	A goal champion is an individual who promotes achievement of the goal, explains its value, and monitors the performance indicators associated with it.
Initiative	An initiative is an activity that supports accomplishment of a strategic objective.

Input Measure	Tracks the resources dedicated or consumed by the service area (e.g., appropriations, staff, capital, technology).
Long-term Objective	A measurable standard of desired performance achievement extending at least four years into the future.
Measure	A measure is a meaningful indicator used to determine performance, a criterion, or value used to determine the magnitude or degree of something.
Mission	A mission is a statement of an organization's purpose. It is the fundamental reason for an organization's existence. A mission statement should be broad enough to provide organization-wide strategic direction, yet specific enough to communicate the reason for the organization's existence to those not familiar with its work.  The primary purpose of the agency, the reason for its existence.
Objective	An objective is a description of the results that, when achieved, moves an organization toward its stated goals.
Outcome	An outcome is a change that results from actions taken. It is the way a customer or stakeholder responds to a product or service.
Outcome Measure	Tracks changes/benefits experienced by intended beneficiaries at least partially because of agency services provided to them. Changes/benefits typically relate to beneficiaries' behavior, condition, knowledge, attitude, skills, and values (e.g. change in reading ability, employment status).
Output Measure	Tracks the direct products of agency activities; usually reported as the number of units of service provided (e.g. number of training sessions held, miles of road repaired).
Partner	An organization that a state agency uses or collaborates with to deliver its services. A partner could be another government entity, a not-for-profit organization, or a private organization.
Performance Budgeting	A systematic incorporation of planning, strategic performance, and productivity measurement, and program evaluation information into the budgetary process.
Performance Indicator or Measure	A performance indicator is like a gauge. It is a quantitative measure that describes the magnitude or degree of a performance characteristic.  A specific description of some aspect of a product, service, or activity that is systematically calculated and measured by quantitative data.
Performance Management	A management system consisting of strategic planning, strategic performance, and productivity measurement, program evaluation, and performance budgeting.
Products	A product is an item an agency produces (i.e., the tangible output of a process) to meet the needs or demands of its customers and fulfill its mission.

Program Evaluation	An evaluation of the progress made toward the achievement of long-term objectives, current initiatives, and increased productivity.
Quality Measure	Tracks the responsiveness, accuracy, and completeness with which services are provided, and how well clients/customers are satisfied with the services (e.g. defect/failure rates, cycle times, response rates, customer satisfaction).
Quantifiable Objective	A specific and measurable target for accomplishment during a stated time frame.
Roadmap	Roadmap for Virginia's Future. A planning process that may include some or all of the following sequential steps: 1) developing a set of guiding principles that are reflective of public sentiment and relevant to critical decision-making, 2) establishing a long-term vision for the Commonwealth, 3) conducting a situation analysis of core state service categories, 4) setting long-term objectives, 5) instituting a planning and performance management system consisting of strategic planning, performance measurement, program evaluation and performance budgeting, and 6) performing plan adjustments based on public input and evaluation of the results of the Roadmap.
Service	A service is a distinct endeavor that an agency undertakes to meet the needs or demands of its customers and fulfill its mission. A service can result from action taken by a single service area or multiple service areas. The service can impact individuals, groups of individuals, organizations, or organizational units both internal and external. An example of an internal service may be the information-technology support to the business units of the organization. An example of an external service may be a service supplied to a citizen or another part of government such as state or local agencies that receives financial support.
Service Area	In the current (2005) program budgeting system, a subprogram generally equates to a service area, i.e. an area of expenditure that supports one or more products or services. A service area can cut across more than one organizational unit.
Service Area Plan	A service area plan is an operational management tool and document, developed by an agency, for use in managing the service area and guiding the expenditure of service area resources.
Service Population	Any person, group, or organization that has a vested interest in the agency's attention, resources or services or is affected by what the agency does or the service it provides; the primary intended beneficiaries of agency services, the group(s) of individuals whom the agency exists to serve.
Situational Analysis	The assessment of state agency performance in core service areas.
Stakeholder	Those individuals, groups, and parties who either affect or are affected by the organization. Stakeholders, as a rule, include all internal and external customers. Stakeholders are involved or consulted as part of the strategic planning process so that their views, needs, and concerns are given consideration during the development of organizational goals, objectives, and strategies. They may also provide input related to outcome measures.

Strategy	<p>Strategies are actions that support the accomplishment of the strategic plan and deliver the results needed to accomplish goals and objectives.</p> <p>Alternate definition (Michael Porter): Selecting the set of activities in which an organization will excel to create a sustainable difference in the marketplace.</p> <p>Specific actions or tasks an agency intends to carry out to accomplish its objectives within a specified time frame; specifies the methods of achieving an objective.</p>
Strategic	Strategic is large scale and/or long-term.
Strategic Performance and Productivity Measures	The use of data to review the current performance, improvement in productivity, and progress against the long-term objectives.
Strategic Plan	The strategic plan is a statement or affirmation of your organization's intention for the next period of time specified and is the basis for monitoring its progress and determining results.
Strategic Planning	<p>Strategic planning is 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. (Goodstein, Nolan, Pfeiffer)</p> <p>It is the systematic clarification and documentation of what an organization wishes to achieve and how to achieve it. The objective of strategic planning is a set of goals, action steps, and measurements constructed to guide performance.</p>
Strategic Strategies	Specific high level actions or initiatives identified by senior executive of the organization such as cabinet secretaries to provide general or specific direction. These are items that could potentially require collaboration between agencies and secretariats.
SWOT Analysis	A SWOT analysis is an assessment to develop a clear sense of an organization's strengths (S-internal resources or capabilities), weaknesses (W-internal deficiencies in resources or capabilities), opportunities (O-external factors or situations that can favorably impact the organization), and threats (T-external factors or situations that can negatively impact the organization).
Target	<p>A target is the specific level of performance you are striving to achieve.</p> <p>Desired level of performance of an objective which can be measured within a specific point in time, usually expressed as a number or percentage.</p>
Values	Values are the principles that govern behavior and the way in which the organization and its members conduct business.

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Vision	<p>An aspirational expression of a future condition for the Commonwealth that is both essential and desirable and extends at least 10 years into the future.</p> <p>A vision is a description of the ideal future state of the organization. It describes the organization at its best, i.e. where the organization intends to be in the future or where it should be to best meet the needs of stakeholders. A vision incorporates a shared understanding of the nature and purpose of the organization and uses this understanding to move the organization toward a greater purpose.</p>
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