

# **Strategic Plan and Performance Report Guide**

Prepared by the Division of Financial Management  
May 2016

**STRATEGIC PLAN  
AND  
PERFORMANCE REPORT  
GUIDE**

**May 2016**

**Division of Financial Management**

**Jani Revier  
Administrator**

# TABLE OF CONTENTS

---

|   |    |
|---|----|
| <b>Purposes of Strategic Planning and Performance Measurement</b> ..... | 1  |
| <b>Statutory Requirements</b>   |    |
| Elements of Strategic Plans.....  | 2  |
| Other Strategic Plan Requirements .....                                 | 2  |
| Elements of Performance Reports .....                                   | 2  |
| Other Performance Report Requirements.....                              | 3  |
| <b>Definitions and Development Guides</b>                               |    |
| Mission Statement .....   | 4  |
| Vision Statement .....  | 4  |
| Goals.....  | 5  |
| Objectives.....   | 5  |
| Performance Measures .....  | 6  |
| Benchmarks.....   | 7  |
| Key External Factors .....  | 7  |
| <b>Submission Guidelines</b>  |    |
| Strategic Plan Summary .....  | 8  |
| Performance Report Summary .....  | 8  |
| Appendix A – Strategic Planning Template .....                          | 9  |
| Appendix B – Performance Measurement Flow Chart .....                   | 10 |
| Appendix C – Performance Measurement Template .....                     | 11 |

## ***Purposes of Strategic Planning and Performance Measurement***

Strategic planning is a long-term, dynamic, and future-oriented process of assessment, goal setting, and decision making that maps a path between the present and a vision of the future. It defines what an agency is, what it intends to be, and how it plans to get there. It includes a multi-year view of objectives and strategies for the accomplishment of agency goals. Clearly defined performance measures and benchmarks provide feedback that influences future planning, resource allocation, and operational decisions. The strategic planning and performance measurement process incorporates and sets direction for all operations of the agency.

The ultimate goal of strategic planning and performance measurement is to ensure that services provided by state agencies meet the needs of those whom they serve. Strategic planning and performance measurement also assist in maintaining a focus on the quality of services and the benefits those services provide, and improve an agency's ability to anticipate and accommodate future issues, opportunities, and problems. By law, strategic planning and performance measurement are governed by Idaho Code 67-1901 through 1905 and are to serve the following purposes:

1. Improve state agency accountability to state citizens and lawmakers.
2. Increase the ability of the Legislature to assess and oversee agency performance.
3. Assist lawmakers with policy and budget decisions.
4. Increase the ability of state agencies to improve agency management and service delivery and assess program effectiveness.

Strategic planning and performance measurement rely on careful evaluation of an agency's capabilities and environment. They improve priority-based allocation of fiscal, human, technology, capital, and other resources. Agency goals, objectives, and performance measures that are clearly stated motivate efforts to achieve goals and hit performance targets. A successful performance report has identifiable, measurable, and meaningful results.

## ***Statutory Requirements***

### **ELEMENTS OF STRATEGIC PLANS**

---

Per Idaho Code 67-1903(1), each agency's strategic plan should, at a minimum, contain the following:

1. A comprehensive outcome-based vision or mission statement covering the major divisions and core functions of the agency;
2. Goals for the major divisions and core functions of the agency;
3. Objectives and/or tasks that indicate how the goals are to be achieved;
4. Performance measures, developed in accordance with section 67-1904, Idaho Code, that assess the progress of the agency in meeting its goals in the strategic plan, along with an indication of how the performance measures are related to the goals in the strategic plan;
5. Benchmarks or performance targets for each performance measure for, at a minimum, the next fiscal year, along with an explanation of the manner in which the benchmark or target level was established; and
6. An identification of those key factors external to the agency and beyond its control that could significantly affect the achievement of the strategic plan goals and objectives.

### **OTHER STRATEGIC PLAN REQUIREMENTS**

---

The strategic plan should also meet the following additional requirements outlined in Idaho Code 67-1903(2)-(6):

- Covers a period of not less than four years forward including the fiscal year it is submitted and is updated annually.
- Serves as a foundation for developing performance report information.
- Provides the opportunity to consult with appropriate members of the Legislature and others affected by the plan.

### **ELEMENTS OF PERFORMANCE REPORTS**

---

Per Idaho Code 67-1904(1), agency performance reports should contain the following elements:

1. Agency overview provides a brief description of the agency and may include the agency's governance structure, the number of employees, number and location of offices, and a brief history of the agency.
2. Core functions/Idaho Code that describe the agency's primary operations and corresponding statutory authority.

3. Fiscal year revenue and expenditure information for the prior four fiscal years broken down by revenue source and type of expenditure. This may include informative breakdowns such as amounts from different revenue sources or types of expenditures.
4. Profile of cases managed and/or key services provided for the prior four fiscal years including the most recently completed fiscal year. Each agency may determine the items to be reported.
5. Performance measures that assess the progress the agency is making in achieving a goal (quantifiable indicator). These are the measures stated in the strategic plan. Agencies should choose 10 or fewer measures to highlight in table format and show the current fiscal year and four years of actual results. If actual results are not available because it is a new measure, that should be stated. The corresponding goal and strategy should be referenced.
6. Benchmarks or performance targets for each performance measure as included in the strategic plan for, at a minimum, the next fiscal year, and for each year of the four years of reported results.
7. Explanatory notes which provide context important for understanding the measures and the results, and any other qualitative information useful for understanding agency performance.
8. Attestation signed by the agency director that the data reported has been internally assessed for accuracy and is deemed to be accurate.

#### OTHER PERFORMANCE REPORT REQUIREMENTS

---

The performance report should also meet the following additional requirements outlined in Idaho Code 67-1904(2)-(10):

- Information is reported in a consistent format determined by the Division of Financial Management to allow for easy review of the information reported.
- Agency uses the information for internal management purposes.
- Agency maintains reports and four years of documentation to support the data reported.
- Agency submits to DFM and Legislative Services Office (LSO).
- DFM publishes the report each year as part of the executive budget.
- LSO may use the information in its budget publication.
- Agency presents the information to legislative germane committees.
- Germane committees may authorize alternative forms of measurement or request increases in the number of measures.

## ***Definitions and Development Guides***

### MISSION STATEMENT

---

#### **Definition**

*The agency mission statement concisely identifies what the agency does, why it does it, and for whom it does it. A mission reminds the public, the Governor, legislators, the courts, and agency personnel of the agency's unique purposes.*

#### **Development Guides**

The mission statement describes the agency's role as it relates to the state as a whole and is the common thread connecting the agency's organizational structure and its activities. The mission of the agency may link to several state functional areas depending on the nature of the agency. All employees should be able to identify their working relationship to this defined mission. The mission statement must be clearly understandable to the public and should at least answer the following questions:

1. Who are we as an organization and who do we serve?
2. Why does our agency exist and what basic problems does it address?
3. What makes our purpose unique?
4. Is the mission in harmony with the agency's enabling statute?

A mission should be developed by the agency and succinctly state its purposes using enabling statutes or constitutional provisions to identify the reasons for its work. The agency should examine other relevant sources such as board policies and program descriptions. The mission should generally be no more than one paragraph in length.

### VISION STATEMENT

---

#### **Definition**

*The vision statement is an inspiring picture of a preferred future. The vision statement provides the reader with a clear description of how the agency sees the future should its goals and objectives be achieved.*

#### **Development Guides**

There are no clear guidelines for the development of the agency's vision statement except for the legislative direction that the statement be "outcome-based." This implies that the statement contain provisions which can be objectively measured to determine whether the agency is advancing toward its vision. The following questions may assist agencies in the development of their vision statements:

1. What difference will we make for the people we serve?
2. What does our ideal future look like?
3. How will our agency change to meet the changing needs of our clients? How will the nature of the way we deliver products or services change in the future?

The vision statement should be brief but provide a realistic view of the future of the agency. It should strengthen and unify the agency and guide goals, priorities, and decisions.

## GOALS

---

### **Definition**

*Goals are broad, issue-oriented statements that reflect the priorities of the agency. Goals specify how the agency will achieve its mission or realize its vision.*

### **Development Guides**

The development of agency goals is one of the most critical aspects of the strategic planning process in that goals chart the future direction of the agency. The goal development process begins to focus the agency's actions toward clearly defined purposes.

Goals can be presented in both qualitative and quantitative form. In a strategic planning system, goals are priority ranked. Goals stretch and challenge an agency, but they are realistic and achievable.

Goals should be client-focused and easily understood by the public. Although there is no established limit, the number of goals the agency may develop should be kept to a reasonable number in order to establish the agency's direction and provide a unifying theme for programs and activities. During goal development, the agency should begin identifying the desired results of its efforts and the corresponding performance measures that will quantify accomplishment of those results.

The formation of agency goals should include, but is not limited to, an analysis of the following questions:

1. Are the goals in harmony with the agency's mission and/or vision statement? Will achievement of the goals fulfill or help fulfill the outcomes described in the mission and/or vision statement?
2. Do the goals provide a clear direction or destination for the agency?
3. Do the goals sufficiently cover the work being performed by the agency? Can employees within the agency identify the goals which they are working to achieve?

## OBJECTIVES

---

### **Definition**

*Objectives are clear targets for specific action. They identify attainable steps toward achieving an agency's goals. Objectives are measurable, time-based statements of intent linked directly to agency goals. They emphasize the results of agency actions at the end of a specific time period.*

### **Development Guides**

An agency's objectives are derived from its goals and identify how an agency will make progress toward them. The development of objectives aids decision making and accountability by focusing on specific, assignable actions.

Each agency goal should be supported by at least one objective. Objectives should be shown under each goal in an approximate priority order, beginning with those of greatest importance and impact. Large objectives may be broken down into smaller objectives, or tasks, as agency needs require.

Objectives should be easily understood by the public and clearly state the specific results the agency seeks to accomplish. The following questions should be asked to determine the relevance of the objective:

1. Does meeting the objective demonstrate progress toward the stated goal?
2. Does the objective clearly state what the agency intends to accomplish?
3. Is the objective realistic and attainable?
4. Does the objective describe an outcome in terms of specific targets and time frames that can be measured?
5. Is there a clear plan for how the objective will be accomplished and who will be responsible?

## **PERFORMANCE MEASURES**

---

### **Definition**

*Performance measures are tools used to determine the results or impacts of government action or policy upon a stated condition or problem. They assess the effectiveness or efficiency of an agency's performance and measure the public benefit derived.*

### **Development Guides**

Performance measures should focus on those items which best demonstrate whether the agency is accomplishing its goals. They should be expressed in a quantifiable form. Progress in reaching agency goals can be assessed by comparing actual results to desired results or benchmarks. A performance measure should be directly related to the goal it is measuring. It should be clear and easily understood by those who are unfamiliar with the agency. Performance measures should be developed by the agency and provided in the strategic plan. The following questions should be addressed as performance measures are developed:

1. Is the performance measure meaningful? Does it represent improvement for those served by the agency?
2. Is the performance measure relevant? Is it logically and directly related to an agency goal?
3. Is the performance measure reliable? Will it produce accurate and verifiable information over time?

4. Is the performance measure clear? Are the terms used easily understood? Will the measure be easily understood by those who are not familiar with the subject?
5. Is the measure of sufficient value to justify the cost of producing the necessary data? In the case of excessive costs, could sampling techniques or other more cost-effective alternatives be used to collect the data?
6. If the data are not currently available, can a proxy measure be substituted until a database is available?
7. Will the performance measure enable a decision to be made or lead to a valid conclusion concerning the agency's action?

## BENCHMARKS

---

### **Definition**

*Benchmarks or performance targets identify desired or intended results for a particular performance measure. They establish a desired threshold for performance, which may be based on prior agency performance or the performance of other organizations the agency seeks to emulate.*

### **Development Guides**

Benchmarks are used to track performance of the agency in reaching its goals by comparing actual results to desired results. They help an agency determine the success of strategic plan implementation. In developing and selecting benchmarks, the following questions should be addressed:

1. Is the benchmark meaningful? Does it establish an appropriate comparison point for performance results?
2. Does the benchmark motivate improved performance? Will it help the agency to reach its goals?
3. Is the benchmark achievable? Does the agency have the ability to reach the target through its best efforts?
4. Is the benchmark reliable? Will the data used in the measure be available on a continuing basis?

## KEY EXTERNAL FACTORS

---

### **Definition**

*Key external factors are things beyond the control of the organization. They include changes in economic, social, technological, ecological, or regulatory environments that could impact the agency and its ability to fulfill its mission and goals.*

### **Development Guides**

Key external factors may be similar or even the same for many state agencies, but how those external factors impact an agency's ability to complete its mission may differ. Developing key external factors allows an agency to openly address assumptions upon which the goals and objectives are based.

## ***Submission Guidelines***

### STRATEGIC PLAN

---

**Due July 1** (or first business day in July)

All agencies must submit their Strategic Plans in electronic format (Microsoft Word or PDF) to the Division of Financial Management by July 1 (or the first business day in July). The plans must consist of the following:

- *Outcome-based Vision or Mission Statement*
- *Goals*
- *Objectives*
- *Performance Measures*
- *Benchmarks (Performance Targets)*
- *External Factors*

**Note:** Strategic plans must cover at least four years forward and be updated annually.

### PERFORMANCE REPORT

---

**Due September 1** (or first business day in September)

All agencies must submit Performance Reports in electronic format (Microsoft Word) and the Legislative Services Office by September 1 (or the first business day in September), along with a copy of the signed Agency Director Attestation letter. This is part of an agency's budget request submittal. Performance Reports consist of the following:

- *Agency Overview*
- *Core Functions/Idaho Code*
- *Revenues and Expenditures*
- *Profile of Cases Managed and/or Key Services Provided*
- *Performance Measures*
- *Benchmarks*
- *Performance Results*
- *Explanatory Notes*
- *Contact Information*
- *Agency Director Attestation*

**Note:** DFM will provide each agency with a template for its Performance Report, so the agency can make the necessary modifications and input data for the current fiscal year. Please use the copy sent to you by DFM, not last year's report and not your own version of the report.

## APPENDIX A

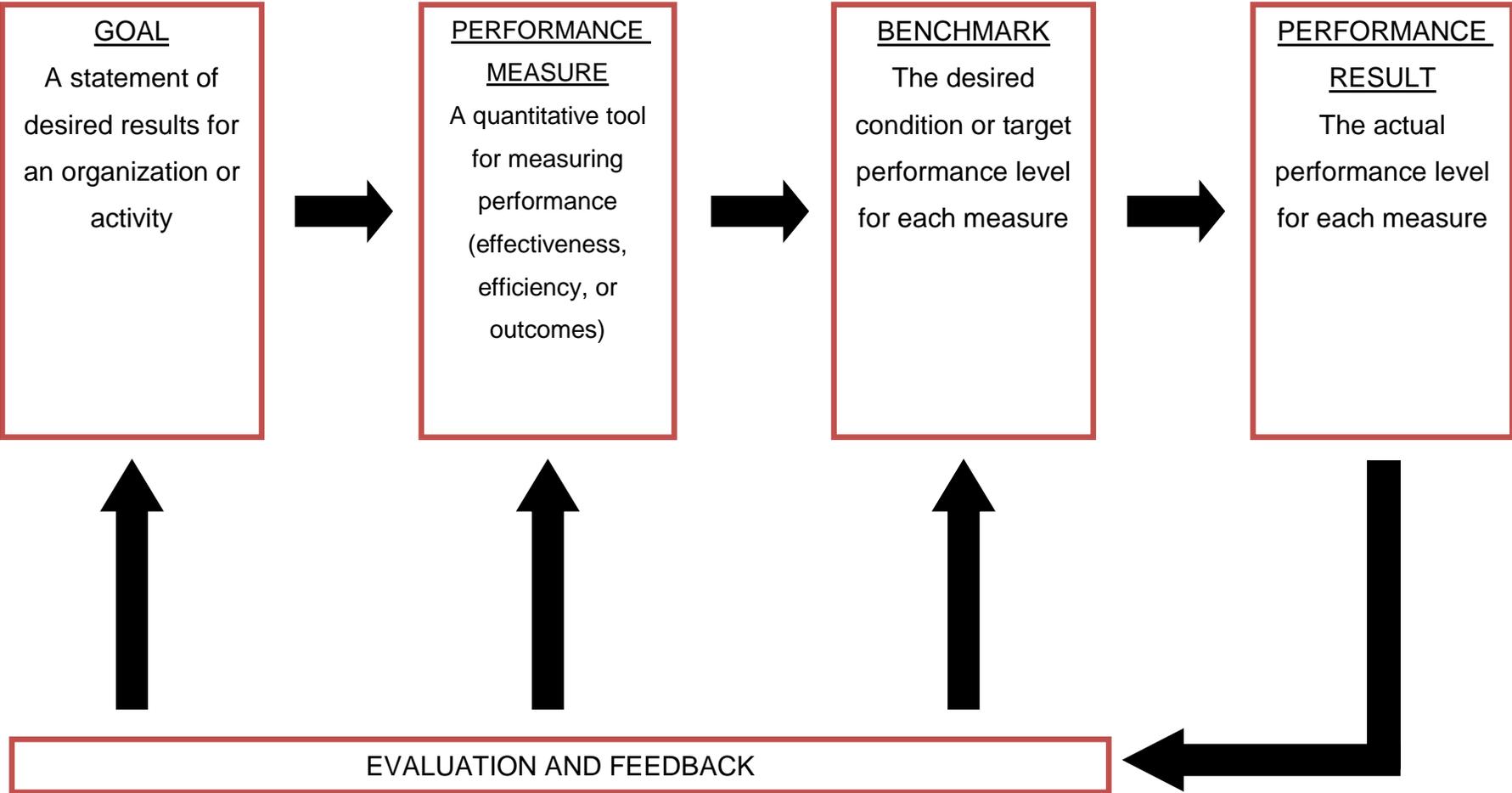
### Strategic Planning Template

This chart represents one way in which information can be gathered to move through the process. Planning efforts should respond to the needs of your agency and evolve in the order that will be most beneficial in your agency.

| <b>QUESTION TO BE ANSWERED</b>  | <b>STRATEGIC PLAN ELEMENT</b>                              |
|---|--|
| Where do we want to be?   | Vision   |
| Who are we? What will we do to achieve our vision?                      | Mission  |
| What will guide the work we choose to do and the way we do the work?    | Core Functions   |
| Where are we? What stands in the way of realizing our vision?           | Key External Factors                                       |
| What will we do to reach our vision?                                    | Strategic, Long-term Goals                                 |
| What will we do in the next three months, six months, year, and beyond? | Objectives   |
| How will we know if we are successful?                                  | Performance Measures/Benchmarks                            |
| How will we assess our progress?  | Monitoring Performance Results and Revising Strategic Plan |

**APPENDIX B**

Performance Measurement Flow Chart



## APPENDIX C

### Performance Measurement Template

| Performance Measure and Description  | Frequency of Measurement                | Responsible Parties  | Audience  |
|--|---|--|---|
| <b>Measure #1</b><br>Description of Measure #1: Include purpose (i.e., goal/strategy being measured), how data will be collected, and how data will be used for decision making. | (weekly, bi-weekly, monthly, quarterly) | (includes those responsible for data collection and communication) | (all stakeholders, leadership, constituents, employees, etc.) |
| <b>Measure #2</b>  |   |  |   |
| <b>Measure #3</b>  |   |  |   |
| <b>Measure #4</b>  |   |  |   |
| <b>Measure #4</b>  |   |  |   |
| <b>Measure #5</b>  |   |  |   |