



# **Excellence in Business Planning**

**Master Template  
for  
Category 2 Public Entities**

2004



Government of Newfoundland and Labrador  
Treasury Board Secretariat

# Business Planning Workshop

## Goals of the Workshop:

- Ensure each participant understands the components of the business planning process
- Ensure each participant is provided with the tools to facilitate the process
- Ensure each participant has the opportunity to clarify the organization's lines of business and mandate
- Ensure each participant understands their client base
- Provide participants with the information needed to support the identification of governance issues
- Provide the opportunity to write goals for a specified time frame.

## **Business Planning Worksheets**

1. The Business Planning Process
2. Lines of Business
3. Primary Clients and Related Expectations
4. Mandate
5. Vision
6. Mission
7. Values
8. Environmental Scan
9. Consolidation and Summary of Environmental Scan
10. Governance or Operational
11. Focusing Issues
12. Determining Priority Issues
13. Goals

## 1. The Business Planning Process

Direction: Please note who was involved in each phase of the last business planning cycle, what they did and why things were done in that way.

Step	Who (position)	What	Why
1. Planning the process			
2. Environmental Scan	Internal:		
	External:		
	Summary:		
3. Vision			
4. Mission			
5. Values			
6. Lines of Business			
7. Goals			
8. Operational plan			
9. Performance measurement			
10. Drafting Business plan			
11. Reviewing/ approving business plan			
12. Implementing, Monitoring and Reporting			





**4: Mandate**

1. If there is a mandate for the line(s) of business you have been assigned, please identify exactly where the mandate is stated.

2. If there is no mandate for the line(s) of business you have been assigned, what is the rationale for still doing this line of business?

3. For the line(s) of business you have been assigned please complete the following table

Line of Business	Is the mandate clear or are we designing it as we plan?		If it is clear does it set parameters on our business?		Does it directly influence our operations? If yes, describe how?
	Clear	Designing	Yes	No	

4. Describe aspects of the governing body’s mandate which need to be discussed and refined.

5. Are there other players who should be involved as we discuss and clarify our mandate?

6. Does our mandate enable us to meet the needs of our clients?

## 5. Vision

A vision is a short statement describing the ideal state an organization is striving to achieve in the long term for its clients. It is a statement of destination which is written within the context of the province, the relevant department, and the governing body’s regional/provincial context.

The vision statement provides guidance by articulating what the governing body wishes to attain. It serves as a signpost, a goal-oriented mental construct that guides people’s behaviour, establishing standards of excellence. It transcends the status quo bridging the present and the future.

Please review the vision statement below and decide if the statement you are reading meets the suggested criteria. When finished count the number of “Yes” statements and rate the vision statement keeping in mind that 6=excellent; 5=good, 4/3=fair, and 2/1=poor.

<b>When you finish writing each vision statement check to see if it</b>	<b>Yes</b>	<b>No</b>
1. Expresses the outcome which will be achieved if the mandate is fulfilled.		
2. Expresses a clear sense of identity.		
3. Is brief and memorable.		
4. Transcends the status quo.		
5. Enables governance and operational level individuals to design tasks to support its fulfilment.		
6. Is an outcome which can be achieved by the organization		
	<b>Totals</b>	

**My rating** \_\_\_\_\_ **Group rating** \_\_\_\_\_

**Comments:**



**6. Mission Statement** (inputs ° programs/services ° outputs ° mission)

A mission statement is an output oriented statement which systematically diagrams the vision by answering the questions who, what and why. It must be realistic and achievable in approximately two cycles of business planning and should indicate how it will be measured. It should tell the ultimate output desired in the near future. It should be brief and memorable, and support the direction required by the organization to which it reports. It is not a descriptor of the programs and services or what the organization is about and it does not answer how it will be achieved.

Please read each statement in the table below check whether the mission statement meets the criteria outlined in the table below. When you are finished count the number of “Yes” statements and rate the mission statement keeping in mind that 6=excellent, 5=good, 4/3=fair, and 2/1=poor.

<b>The Mission Statement:</b>	<b>Yes</b>	<b>No</b>
1. Can be accomplished by this organization within the next 6 to 10 years (2 cycles of business planning)		
2. Clearly identifies the intended primary stakeholder(s) (Who?)		
3. Clearly outlines the desired output (What?)		
4. Clearly describes the general benefit of our programs and services(Why?)		
5. Is brief and measurable		
6. Has clearly articulated measures and indicators		

**My rating** \_\_\_\_\_ **Group rating** \_\_\_\_\_

**Measure(s)**

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**Indicators** for each measure

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## 7. Values

Question	Response		Action If no, fill in these sections?
	Yes	No	
1. Have we articulated our values? If yes, proceed to the next question.			List Potential Values:
2. Can we describe how those values are manifested in our actions? If yes, proceed to the next question. If no, complete the Action column but do not complete the remainder of the questions below.			Describe one action for each value:
3. Could our employees list the values without having to reference our Plan?			What should we do next?
4. Have we articulated how the values are influencing the directions taken in the organizations?			How should they influence our directions?
5. Have we completed an environmental scan to determine if our values are observable and support the achievement of our vision?			If no, what needs to be done next?

**8: Environmental Scan** (3 sheets in total) 1 of 3

If the tasks listed below have not been completed answer each set by asking “Which of the following could I contribute to support our environmental scan?”

A. We completed/reviewed (I could contribute the following to support our environmental scan):

- T analysis of past reports;
- T analysis of minutes and newsletters;
- T analysis of local, national and international standards;
- T consultations - individual, group and community;
- T direct observations;
- T evaluation reports;
- T focus groups;
- T interviews;
- T literature reviews;
- T questionnaires;
- T review of records;
- T statistical analysis;
- T suggestions from suggestion boxes;
- T surveys; and
- T work samples.

B. Our internal environmental analysis consisted of a review of the following:

- Internal Business Processes*
- T vision, mission and mandate;
  - T effectiveness and efficiency of internal business processes;
  - T employee relations;
  - T reports regarding the performance of program and service components of the organization;
  - T internal harmony, including levels of cooperation within and between components of the organization;
  - T communications; and
  - T organizational structures.

**8: Environmental Scan** 2 of 3

*Finances*

- \_\_\_\_\_ T internal financial conditions;
- \_\_\_\_\_ T human resources and projected future requirements;
- \_\_\_\_\_ T demands for new operational or capital expenditures;
- \_\_\_\_\_ T status of financial statements;
- \_\_\_\_\_ T status of audited financial statements;
- \_\_\_\_\_ T projected surplus(es) or deficit(s); and
- \_\_\_\_\_ T sources of revenue.

*Clients*

- \_\_\_\_\_ T client/public needs as identified in submissions;
- \_\_\_\_\_ T results of surveys (local; provincial; national);
- \_\_\_\_\_ T client needs as identified by program area;
- \_\_\_\_\_ T standards which could influence client outcomes;
- \_\_\_\_\_ T policies which influence access and program delivery; and
- \_\_\_\_\_ T results of satisfaction surveys.

*Learning and Growth*

- \_\_\_\_\_ T status of technology;
- \_\_\_\_\_ T strengths and stressors as identified by staff;
- \_\_\_\_\_ T physical conditions;
- \_\_\_\_\_ T need for training in new technologies/ work methods;
- \_\_\_\_\_ T expectations and needs created by the introduction/revision of programs and services; and
- \_\_\_\_\_ T overlaps in functions and recommendations to streamline work functions and the implications for training/retraining.

**8: Environmental Scan** 3 of 3

C. Our external environmental analysis consisted of a review of the following (I could support the external scan in each of the following areas):

- \_\_\_\_\_ orientation and ongoing staff development requirements as projected by the organization, provincial professional associations, stakeholder groups, or provincial standards setting exercises;
- \_\_\_\_\_ collaboration levels with other organizations;
- \_\_\_\_\_ current research/innovations/best practices which could change the way of doing business/offering programs and services;
- \_\_\_\_\_ demographics and projected changes;
- \_\_\_\_\_ energy needs and market projections (heat, light, etc);
- \_\_\_\_\_ gender analysis issues;
- \_\_\_\_\_ government expectations;
- \_\_\_\_\_ health and well-being statistics;
- \_\_\_\_\_ fiscal realities, including finances and inflation factors;
- \_\_\_\_\_ labor market shifts/forecasts;
- \_\_\_\_\_ employee relations trends;
- \_\_\_\_\_ life style factors;
- \_\_\_\_\_ local, provincial, and national comparisons;
- \_\_\_\_\_ needs as articulated by other public bodies in the region;
- \_\_\_\_\_ needs as articulated by advocacy groups;
- \_\_\_\_\_ public expectations;
- \_\_\_\_\_ transportation needs;
- \_\_\_\_\_ discussions or meetings/correspondence the chairperson/CEO had with the minister/deputy of the relevant department;
- \_\_\_\_\_ government documents;
- \_\_\_\_\_ information posted on the web sites of provincial and federal government;
- \_\_\_\_\_ minutes of meetings senior staff have had with their government counterparts;
- \_\_\_\_\_ minutes of meetings the CEO attended with the executive of the relevant department;
- \_\_\_\_\_ position papers/reports/minutes of the provincial association,; and
- \_\_\_\_\_ public education needs.

## 9. Consolidation of Environmental Scan

(This section is only completed if a previous environmental scan has been conducted)

In what report, by whom and when, was the following completed?:

_____	1. An analysis and summary of the information obtained was prepared by the staff to assist the governing body in prioritizing needs, establishing key issues and determining goals for inclusion in the organization's business plan.	
_____	2. The governing body was given information which distinguished between operational and governance issues;	
_____	3. The governing body was given information which could be used to evaluate each issue against a set of criteria such as the following:	
_____	Balance-	Meeting this need ensures maintenance of a balanced approach in our business plan.
_____	Baseline-	The baseline and how far the organization is from its desired benchmark/output is known.
_____	Feasible-	The organization has the resources to meet this need.
_____	Focus-	This issue ensures the organization focuses on its vision, mission and mandate.
_____	Reaction-	The governing body will be affected negatively if the organization does not meet this need .
_____	Relevant-	This issue is relevant to the mandate.
_____	Reliable-	The issue is based on reliable data and supported by research, not opinion.
_____	Specific-	This need is specific enough to provide direction as to how to meet it.
_____	Value Added-	Addressing this need will add value to the achievements of the organization.
_____	Equity and equality-	This need meets the principle of equality and equity.
_____	Control-	The governing body's input can contribute to the outputs.

**9: Summary of Environmental Scan**

Question	Completed		Work to be Completed
	Yes	No	
1. Have we scanned the external and internal environment for current trends and arising issues that relate to ( do external first): A. Client? B. Finances? C. Internal Business Processes? D. Learning and Growth?			Potentially business issues covering the 4 areas:
2. Have we identified the sources of information and checked the appropriateness of the source?			Sources:
3. Have we analysed each issue/trend/opportunity to determine where it is in its life cycle: A. Are our clients aware that it exists? B. Are the indicators producing warning signals? C. Are comparisons with other jurisdictions positive or troubling? D. Is there a crisis or opportunity looming? E. Will the Organization/Government have to respond to this issue/trend/opportunity ?			Where is each issue in its life cycle?
4. How will these issues/trends, etc. impact on the organizations A. mission and mandates? B. practices? C. expenditures? D. programs and services? E. human resources? F. structure?	Impacts:		

**10: Business or Operational**

Issue:

	<b>Operational</b>			<b>Business</b>
Is this issue viewed as being important by senior management?	No			Yes
Does the CEO have this issue on his/her agenda?	No			Yes
When will the organization have to deal with this issue?	Now	Next Year	2 or more years from now	
How broad an impact will this issue have?	Single sector		Entire Organization	
How large is the financial risk/opportunity?	Minor (<10% of budget)		Major (>25% budget)	
Will strategies for resolution require:				
i. Development of new goals and programs	No			Yes
ii. Significant changes in revenue	No			Yes
iii. Amendments to provincial policies	No			Yes
iv. Major facility additions or modifications	No			Yes
v. Significant increase in personnel complement	No			Yes
How apparent is the best approach for resolution	Clear	Few Details known	Wide Open	
The lowest level of management who could decide how to deal with this issue	Division Head		Section/Branch Manager	
Possible consequences of non action	Very little	Significant disruption	Major long term Consequences	
How many other groups are affected and must be involved in resolution	None	1-3	4 or more	
How sensitive is this issue relative to our clients, &/or political, social, religious or cultural values	Benign	Touchy	Explosive	
Adapted from Section 3: Performance Measurement, <i>Strategic Planning</i> , State of Virginia, p. W-30				

Issue is:            **9Primarily Operational**

**9Primarily Governance**



**11. Focussing Issues** 1 of 2

Issue:

Why is this an issue for the organization?

This issue affects the organization's	Yes	No	Potential Consequences if this Issue is NOT addressed?
External clients			
Internal clients			
Mission			
Mandates			
Lines of business			
Identified strengths			
Identified weaknesses			
Previously perceived opportunities/threats			

Can this organization influence this issue? If the answer is no please move to the next issue. If yes, please proceed.

This issue causes us to ask these questions:

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We feel the critical question, at this time, is the following:

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**11. Focussing Issues** 2 of 2

Please list the actions the organization would have to undertake to answer this critical question.

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What are the challenges we must face if we are going to address this issue from each of the following perspective?

Client:

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Fiscal:

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Internal business processes:

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Learning and growth:

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## 12. Determining Priority Issues

List issues or write the number of the issue and one word to represent the issue then answer the questions which follow..

### Issues

- 1.
- 2.
- 3.
- 4.
- 5.
- 6.
- 7.
- 8.
- 9.
- 10.

Place a / across from the statement which best describes the ability of the organization to address each issue (for each issue, only place a check one box)

<b>We</b>	<b>Issues</b>									
	1	2	3	4	5	6	7	8	9	10
A. can independently address this issue										
B. need to partner with other agencies to address this issue										
C. would like to address this issue but it is clearly in someone else's mandate										
D. would like to address this issue but cannot influence the outputs										
E. should address this issue but, at this time, have neither the resources nor expertise,										
F. see this issue as high priority but other influential parties do not agree										

**13a. Goal**

1. Issue: \_\_\_\_\_

2. Goal: \_\_\_\_\_

\_\_\_\_\_

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\_\_\_\_\_

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\_\_\_\_\_

3. This goal could support the following area in the business plan:

- A. Client \_\_\_\_\_
- B. Learning and Growth \_\_\_\_\_
- C. Internal Business Processes \_\_\_\_\_
- D. Finances \_\_\_\_\_

4. Is this goal achievable:

- A. in 3 years Yes \_\_\_\_\_ No \_\_\_\_\_
- B. within current fiscal realities Yes \_\_\_\_\_ No \_\_\_\_\_
- C. given the current resource allocations Yes \_\_\_\_\_ No \_\_\_\_\_
- D. using current internal business process Yes \_\_\_\_\_ No \_\_\_\_\_

5. Potential beneficiaries of this goal:

\_\_\_\_\_

6. Voices/interests potentially marginalised by this goal:

\_\_\_\_\_

7. Measure(s) and indicators we believe would tell us when this goal is met:

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_



1. Goal # \_\_\_\_\_
2. Objective #1 \_\_\_\_\_

3. Measure(s) for Objective 1 \_\_\_\_\_
4. Indicators for Objective 1 \_\_\_\_\_
5. Actions necessary to address Objective 1 \_\_\_\_\_

Actions	Costs	Time	Who				Time Frame/ How are outputs to be reported
			R	A	C	I	

**R** = responsible for collecting data; **A** = accountable for the outputs; **C** = must be consulted/involved along the way; **I** = who will need to be informed of the outputs

**13d. Reporting** (one sheet would be completed for each measure)

Goal 1 \_\_\_\_\_  
 Objective \_\_\_\_\_

Measure \_\_\_\_\_

Factors to consider	Reporting requirements
List indicators: 1. 2. 3. 4. 5. 6.	Who is going to collect the information for each indicator: 1. 2. 3. 4. 5. 6.
Who is going to compile the report regarding each measure	
Who will present the report	
Who will receive the report	
Exactly what is required in the report	
How should the information be reported	
What are the format expectations	
What is the maximum length of an indicator report	
What is the maximum length of a measure report	
When should reports be presented	
Should data be aggregate or disaggregate	
When should data be collected	
What is the acceptable margin of error	
Who must be notified if data cannot be collected	

## Glossary

### Accountability

Accountability means the ownership of conferred responsibilities, combined with an obligation to report to a higher authority on the discharge of those responsibilities and the results obtained.

### **Accountability Framework**

The accountability framework defines the nature and scope of responsibilities, and identifies key results, performance expectations, and the monitoring and reporting strategies.

### **Activities**

Activities are the actions that are completed to fulfill an obligation outlined in an assigned mandate.

### **Benchmarks**

Benchmarks are the standards against which performance will be measured. Those benchmarks can be determined by the entity or the province. They can be based on: the ideal set by the entity; the best in the field for the programs and services of a particular type. Benchmarks established should support the direction established by the provincial government.

### **Comparable indicators**

Comparable indicators are a specific set of common quantitative and/or qualitative data for the aspect of performance under consideration.

### **Consumption**

Consumption is the process of using inputs to complete activities to produce outputs and outputs to produce outcomes.

### **Goal**

A goal is a specific statement of the desired results to be achieved over a specified period of time.

### **Impact**

An impact of publically funded policies activities and programs is a consequence, either intended or unintended, and is either positive or negative.



## **Indicator**

### **Indicator of Well-being**

Quantitative data that indicates changes in physical, social or economic states. It is a particular value or characteristic used to measure activities, outputs or outcomes. It is multidimensional (ie. expressed as a ratio or percentage). Indicators should be a fair reflection of the things the entity can reasonably control and of those things which have a logical connection to the information which the entity desires to report. Indicators of well-being should meet the criteria specified in this document.

### **Indicator of Process**

Qualitative or quantitative data that is used to indicate progress toward a desired objective, goal and/or mission eg. taught XX number of students in 200?; the committee met 5 times and has a policy document drafted; outcomes have been established for 10 of 20 program areas. The indicator can be unidimensional (ie. expressed as a data point, that is a number or categorical value)

## **Information**

### **Baseline Data**

Baseline data are quantitative information collected preferably before a program/service/activity commences, for the purposes of making future comparisons.

### **Governance Information**

Qualitative information collected before a process or activity commences that provides evidence which will be used to make future comparisons.

## **Inputs**

Inputs are the resources used to carry out actions resulting in the ability to complete activities which are used to produce outputs which then results in outcomes.

## **Lines of Business**

Lines of business are discrete and coherent sets of programs, services and/or products that represent what the department delivers to its external clients.

## **Measures**

When indicators of well-being are quantified and combined they create a measure of well-being. When indicators of process are quantified or qualified and combined they create a measure of process.

**Measures, Types of:**

- Effectiveness  
Effectiveness measures are the different ratios and outcomes which tell if a planned result was accomplished.  
Cost effectiveness is the ratio of activities to input expenditures, outputs to input expenditures and outcomes to input expenditures
- Input Measures  
These quantify the amount of resources used to complete the activity and produce the outputs.
- Outcome Measures  
Outcome measures provide qualitative and quantitative information indicating the degree to which an entity can be credited for the achievement of its planned objectives. There can be measures of well-being or process outcomes.
- Output Measures  
Output measures tell the amount produced as a result of the inputs used in a program or service.
- Process Measures  
There are three types of process measures designed to monitor the organization's activities: efficiency measures, activity based and unit cost measures:  
Activity-based measures quantify how busy an organization is and enable the organization to determine the use for a specific program or service.  
Efficiency measures are ratios of outputs to inputs. They tell how well the organization used its resources to produce the programs and services.  
Unit costs are the ratios of outputs to input expenditures.
- Proxy Measures  
Proxy measures are used when direct measurement of a specific outcome is not possible. They are a surrogate or substitute data used when costs, complexity or timeliness prevent a result from being measured directly. There are cases where departments of the provincial government and Category 1 entities will have to use proxy measures.

## **Objective**

An objective is a measurable statement or incremental milestone which specifies a change or benefit that the entity hopes to achieve. Success in meeting the objectives can be readily evaluated using qualitative (process) and quantitative (well-being or process) measures.

## **Outcome**

An outcome is a change as a consequence of specific policies, programs and initiatives undertaken by entities.

Well-being outcomes are external changes to physical, social or economic states as a consequence of policies, programs and initiatives undertaken by an entity.

Process outcomes are internal or external results as a consequence of the objectives and goals undertaken by an entity. The ultimate aim of process outcomes is to enable an entity to move to the development of outcomes of well-being.

There are three types of outcomes: immediate, intermediate and ultimate. An immediate outcome could be a change in attitudes. An intermediate outcome could be a change in behavior. The ultimate outcome would be a lower or higher incidence of a specific result (eg. lower- disease, drop out rate, unemployment, accidents) (eg. higher- year-around employment, literacy, retention of qualified workers, students completing career paths).

## **Outputs**

An output is what is produced as a direct result of transforming resources through an activity or process (series of activities) undertaken using the inputs (resources).

## **Performance**

Performance refers to actual results measured against defined standards.

## **Performance Framework**

The framework that defines the steps of the performance measurement process to be completed as a component of the strategic planning process.

## **Performance Measurement**

Performance Measurement is a quantitative and qualitative process to assess if the entity has completed its intended activities or achieved its desired outputs or outcomes in the most cost effective and timely manner possible.

### **Performance Report**

A performance report is a summary of the organization's activities outputs or outcomes which provides a clear linkage between its plan and the results actually obtained using the specified performance measures.

### **Policies**

Policies enable or restrict actions by specifying outputs, outcomes or parameters. They provide specific information about the ends the entity desires to achieve, direction for the CEO and staff, and governance/operational level processes.

### **Process**

A process is a set of activities which are aimed at planned activities, outputs or outcomes

### **Production Activity**

A production activity is the process which transform inputs (resources) into outputs (usually services in the case of the public sector).

### **Program**

A program is a set of projects, services or events intended to meet a public need.

### **Public Body**

A public is a board, agency, Crown corporation, commission, foundation, panel, committee, council or tribunal created by Government to assume specific responsibilities.

### **Result**

The result is the accomplishment, desired or unintended, which arises from any process or operation. It may take more than one result to achieve a desired outcome.

### **Social Audit**

A social audit is the objective verification and public reporting of the contributions that government and public bodies have made through their programs and policies towards social progress and the needs of society.

### **Strategic Issue**

A strategic issue is the most significant internal and/or external change which the organization must manage to realize its vision and the capacity of the organization to effectively manage the impacts of those changes.

### **Strategy**

A strategy is a systematic plan of action or a series of actions or activities that an organization intends to take in order to achieve its targets/objectives given its environment. Strategies are dynamic and may need to be modified based on new knowledge or changing circumstances.

### **Target**

Targets are specific, measurable, achievable, realistic and time bound changes/benefits the organization intends to achieve.

Example: By 200?, increase scores of NL rural 15 year olds in reading, science and mathematics to the national average, as measured by the *Program for International Student Assessment*.

Example: Increase full-time employment rates by 2% within five years.

### **Values**

Values are the fundamental principles that guide behaviour and decision making.

### **Vision**

A vision is a short statement describing the ideal state an organization is striving to achieve for its clients or the ideal state that an organization sees for society. It is the outcome which will be achieved if the assigned mandate is fulfilled.