

STRATEGIC PLANNING



Aboriginal Financial Officers Association of BC

60 – 1959 Marine Drive
North Vancouver, BC V7P 1G1
Telephone: 604-988-5564
Facsimile: 604-988-2625
www.afoabc.org

TOOLBOX CHAPTER SUMMARY

The focus of this First Nations Financial Code Toolbox chapter is strategic planning for First Nations. The information contained in this chapter was written by Jim Pealow, MBA, CMA, CAFM and being used by permission. It is also course content reading for AFM4 – Strategy and Decision Making of the Certified Aboriginal Financial Manager program of the Aboriginal Financial Officers Association of Canada.

This publication will inform those in First Nations leadership positions about strategic management and accountability, and highlight some practices that will assist in improving the quality of First Nations' activities in planning and accountability.

Information is presented in five sections. The first provides an introduction and addresses the current situation. The next looks at accountability and related issues. This is followed by information on strategic management. A section of examples and best practices are presented to allow the reader to measure against and consider potential improvements. The last section includes sources of information to provide additional knowledge for those wishing to examine topics further.

Like financial management, communications, member participation and leadership, strategic planning is one of several key factors linked to accountability. In fact, strategic planning is the first step in setting up a solid accountability framework. If the planning step is not dealt with first, accountability issues will likely arise. Issues are often tackled with band-aid solutions but, despite the band-aid, problems tend to continue to occur after a period of time. This is because the root problem or cause has not been addressed. Accountability problems or issues are effects which can often be traced back to the root cause, which is an ineffective planning process.

Strategic planning policy and process have the greatest influence on the level of accountability. That link is explored in this publication.

LEARNING OBJECTIVES

By using the information in this publication, you will be able to:

- Gain a better understanding of accountability and how it benefits an organization.
- Develop an accountability program.
- Understand the relationship between accountability and strategic management.
- Gain a better understanding of strategic management and how it benefits an organization.
- Assess strategic management activities in an organization.

WHAT IS ACCOUNTABILITY?

Put simply, accountability is the same thing as responsibility – responsibility to a person or group of people. Accountability is used to make sure people do the things they should, and don't do the things they shouldn't.

Sample excerpt from the Strategic Planning Chapter

THE LINK BETWEEN ACCOUNTABILITY AND STRATEGIC MANAGEMENT

To meet the accountability needs of an organization, good management and strong planning knowledge and skills are necessary. This publication is about strategic management. Strategic management includes strategic planning and the link to accountability so you, as a Chief, Council or staff member, can provide the greatest benefit to your community. Accountability and strategic management are examined in more detail later, but first it is good to have an understanding of the relationship between the two.

WHAT IS STRATEGIC MANAGEMENT?

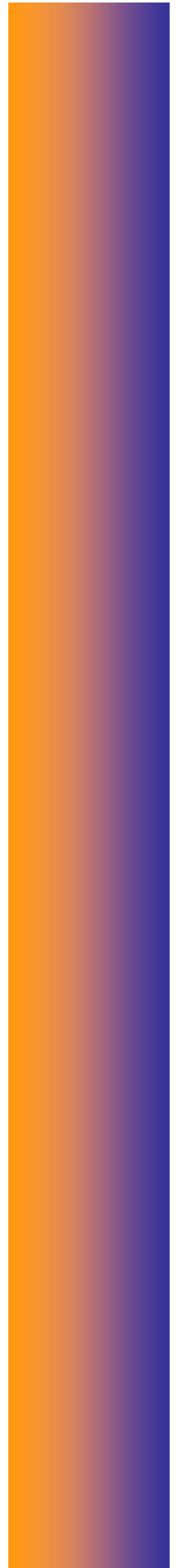
Strategic management can be defined as the art and science of formulating, implementing, and evaluating cross-functional decisions that enable an organization to achieve its objectives.

Other definitions bring in different elements integral to a strategic management process. This definition, however, clearly describes the heart of strategic management. Strategic management focuses on integrating all organizational activity for the purpose of achieving organizational success. Strategic management can be viewed as a formal planning process that allows a First Nation to pursue proactive rather than reactive strategies.

HOW DO YOU IMPLEMENT STRATEGIC MANAGEMENT?

Strategy implementation requires policy support for the selected strategies, related tactics, objectives, and the necessary resources. First Nations are able to formulate strategy but run into implementation problems because of financial capacity, lack of supportive policy or employee/volunteer motivation problems. Strategy implementation usually requires a supportive culture, appropriate organizational structure, and readjustment of current activities. Strategy implementation is the action stage and is sometimes referred to as “Where the rubber hits the road.” Everyone needs to be committed and understand the role they play in the success of the organization. Commitment will be achieved more easily if everyone participates in developing and understanding the strategy, what they must do to implement the strategy and get the job done.

The best way to support implementation of strategy is to develop a business plan. The business plan is a consolidation of all programs and activities. The business plan can outline the strategies, related assumptions, and activity to support the strategies, performance indicators and financial information such as budgets. The plan also indicates who will do what and when.



Key elements in strategy implementation are *flexibility, training, continuous improvement, policy, decision making, and problem solving*. If your process is easy to follow, and not overly prescriptive, you can be *flexible*. It takes more time and effort to amend a 200-page business plan than one with 24 pages. Keeping it brief can be helpful. Size can impact perception. Some people would rather hold off on new innovative tactics than go through the tedious process of submitting a revision to a long document.

Business plans are not meant to be totally prescriptive in nature. They should be directive. A lot of “how to” creativity and innovation is required and should be encouraged. Innovation should complement current and anticipated future requirements of the First Nation. In other words, anticipation is an important factor. Hold Council, committee and/or staff sessions in which scenarios are explored based on anticipated needs for a particular program or service that requires innovative solutions. For example, would strategic alliances in the area of tourism be a must in the future for First Nations? Any organization serious about successful implementation and innovation should have an expenditure account of at least one-half of one percent set aside for innovations, projects and rewards.

WHAT IS STRATEGY EVALUATION?

Strategy evaluation is the stage of the strategic management process that is often neglected. This stage provides the opportunity to assess how well strategies are doing, and is important in terms of **supporting accountability**. Measuring performance to the goals that were set beforehand allows the assessment of progress. It also identifies areas where corrective action is necessary. Trends upon which the original strategies were developed change and, therefore, evaluations are required on a regular basis to assess impacts. There may be a need for abandonment, adjustment or new strategies.

First Nations need to undertake a formal process to evaluate strategy. Since strategic direction is usually long term, a bad strategy can seriously influence a First Nation’s health and can be difficult to change. Therefore, timely and effective evaluations to identify problems or potential problems are critical.

WHAT TOOLS, EXAMPLES AND BEST PRACTICES DOES THE TOOLBOX CHAPTER CONTAIN?

1. Strategic Management Questionnaire
2. Strategic Management Policy Example
3. Strategic Plan Example – Ucluelet First Nation
4. Accountability Best Practices
5. Strategic Management Best Practices
6. Problem Solving and Decision Making Tool
7. Priority Setting Tool
8. Activity Plans

