

## Strategic Planning

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Strategic planning is the process by which leaders clarify their organization’s mission, develop a vision, articulate the values, and establish long-, medium-, and short-term goals and strategies.

The Strategic Planning Process presented in this guide is based on the Hierarchy of Strategic Intent shown below. At the top of the hierarchy is the organization’s Mission and Vision, both of which should be long-lasting and motivating. At the base of the hierarchy are the shorter-term strategies and tactics that unit members will use to achieve the Vision.

### Hierarchy of Strategic Intent

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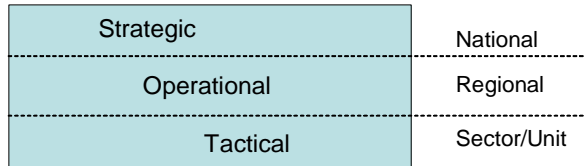


*Use the Hierarchy to answer “Why my organization does X” by looking up one level, e.g., “this set of tactical plans exist to achieve that Outcome.” Answer “How” the organization will accomplish X by looking down one level, e.g., “our Strategies are how we will attain our Critical Success Factors.”*

## Does every Unit Need its Own *Strategic Plan*?

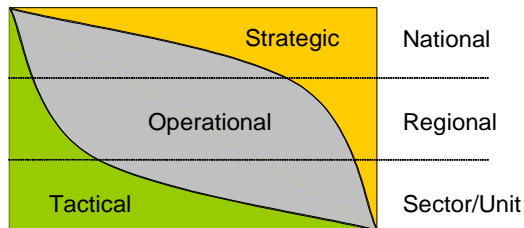
The traditional view of planning might dictate that leaders at field units and even individual HQ program offices leave Strategic Planning to the senior-most, agency-level leaders, as depicted here:

### Traditional View:



However, in reality, every USCG command/staff has strategic value. To ensure each is ready to perform its assigned responsibilities, able to sustain and improve performance, and to anticipate and prepare for future needs, planning at all levels—Strategic, Operational, Tactical—is necessary.

### The Reality:



There are, however, differences in the planning scope and horizons at the national, regional, and unit levels—perhaps 18-24 months for cutters, 5 years for Sectors, 5-8 years for Areas, and 20 years for the Coast Guard.

Strategic Planning process steps are listed below:

- Step 1.0** Develop Guiding Documents. This includes developing Mission, Vision, and Values statements; if these already exist, review them to prepare for strategic planning.
- Step 2.0** Define the Strategy. This step is the heart of strategy development; it establishes Outcomes, Critical Success Factors, and outlines the Goals to accomplish both.
- Step 3.0** Develop Action Plan and Execute. This includes developing action plans, allocating resources, and deploying the plan. Avoid an “Execution Gap,” by conducting Action Planning in a disciplined manner and Execute Action Plans with accountability.

## SITUATION ANALYSIS AND STRATEGIC ALIGNMENT

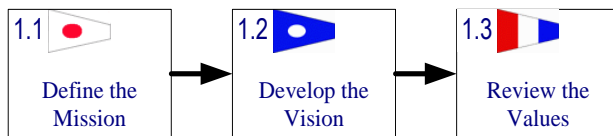
Prior to strategic planning, leaders should study all the factors that may affect the organization during its target time-frame. Leaders should align the strategic plan with efforts up and down the chain of command in such a way that it maintains a “unity of effort” or common strategic intent. This analysis focuses on the following.

- **Planning Assumptions:** resource constraints, strategic challenges, organization sustainability issues, and emergency business continuity
- **Environmental Factors:** Coast Guard strategic, operational, and tactical plans; and financial, societal, ethical, regulatory, and technological risks
- **Future Focus:** Major shifts in technology, missions, or the regulatory and competitive environments (particularly those derived from up-line plans)
- **Performance Metrics:** such as mission/operational performance status and other key effectiveness measures
- **Assessments:** Organizational Assessment Survey (OAS); Commandant’s Performance Challenge (CPC); unit climate surveys; compliance inspection and audit findings; strategic capability; and organizational strengths, weaknesses, opportunities, and threats

## *Process Steps*

### **DEVELOP GUIDING DOCUMENTS**

Once the leaders are ready to engage in the planning process, they should revisit or establish organizational Guiding Documents, such as, Mission, Vision, and Values Statements. Since these Statements are long-lasting, they may require only slight adjustments to respond to changes in the operational or competitive environments. Reviewing them reorients the planning team toward this enhanced future state. If such documents do not exist, they must be developed before any other planning can occur. The essential steps in this process are:



### **STEP 1: Develop Guiding Documents**

#### **DEFINE THE MISSION**

A **Mission** refers to why an organization exists – its reason for being or purpose. Generally, for most military organizations, the mission is clear and unambiguous. Well-articulated Mission Statements are those that clarify:

- For Members – What to expect and how they fit in;
- For Customers – What the products and services are;
- For Leaders – How to direct decision-making.

A **Mission Statement** must:

- Be clear and understandable;
- Be brief enough for people to keep it in mind;
- Be reflective of the organization's distinctive competency;
- Be broad enough to allow implementation flexibility;
- Be narrow enough to maintain a sense of focus;
- Be a template by which members can make decisions;
- Reflect organization values, beliefs, and philosophy.

### **DEVELOP THE MISSION STATEMENT**

To develop a Mission Statement, leaders may facilitate the following process with a team specifically selected for this purpose.

1. Individually, develop a mission statement based upon the criteria listed here.
2. As a group, share individual Mission Statements.
3. Identify common themes and *must haves*.
4. If useful, choose and modify an individual statement.
5. Devote 5-10 minutes to refine the chosen statement.
6. Check the refined statement against the criteria.
7. If necessary, select a sub-team to finalize the statement offline.

### **DEVELOP THE VISION**

**Vision** refers to the category of intentions that are broad, all inclusive, and forward thinking. A Vision should:

- Provide aspirations for the future;
- Provide a mental image of some desired future state;
- Appeal to everyone's emotions and aspirations.

## **BRAINSTORM INDIVIDUAL AND COLLECTIVE LEGACY**

Start by defining *the organization* for which the Vision is being developed. A Vision can be developed for a subgroup of a larger organization, which has a separate, broader, more inclusive Vision. Subgroup Visions must be aligned with and mutually supportive of the larger organizational Vision. Ask the group to quietly and honestly list their own responses to the five questions below. Tell participants they will be asked to share their answers to Questions 4 and 5 with the group.

### **The Five Vision Questions**

1. What do you like about being a part of this organization?
2. What do you like about the organization's mission?
3. When it's at its best, what do you like about the organization?
- 4. What legacy would you like to leave behind?**
- 5. What legacy should we collectively leave behind?**

### **REPORT INDIVIDUAL RESPONSES TO THE GROUP**

Once everyone has listed their responses, go around the room and ask each participant share his/her responses to Questions 4 and 5. The following ground rules apply.

- Speak from the heart
- Listen carefully
- Seek first to understand (clarifying questions only)
- Do not evaluate responses

### **IDENTIFY COMMON VISION THEMES**

As a group, identify the common themes in the individual responses to the questions. Has a Vision or the elements of a Vision emerged? What's missing? Facilitate discussion until all key elements have been fully developed and are clear to all.

## FINALIZE VISION STATEMENT OFFLINE

If necessary, select a smaller team to work offline to finalize the Vision Statement. The team will use the responses and common themes as input to develop several Vision Statements for the group's approval. The simple act of developing these concepts within the group will provide enough direction to continue developing the strategic plan.

***Trick of the Trade:** Never wordsmith in a group! You'll destroy momentum.*

### **Why Does a Unit Need Its Own Vision?**

Unit leaders often resist developing a Vision Statement. Many feel that their command's Vision should match the Commandant's Vision or the District Commander's Vision. They are correct to the extent that a unit's Vision must be aligned with and supportive of those higher in the chain of command; however, many *up-line* Visions are too broad or all encompassing to be relevant to the members of a given unit. More importantly, each unit has a specific if not unique role in successful mission execution and mission support. Leaders are responsible for articulating that role and setting a Vision to drive improvement and higher levels of performance.

A unit Vision should span a couple of COs tours or about five years. A five-year Vision is often a *reach* for a field unit and is generally long enough to hold a crew's focus. It is also a reasonable time frame given the ever-changing nature of the Coast Guard's operating environment and initiatives responsive to a given Commandant's Intent.

## REVIEW THE VALUES

Values are the essence of the organization. They describe who we are and how we accomplish our work. Values affect:

- Decision-making;
- Risk taking;
- Goal setting;
- Problem solving;
- Prioritization.

**Core Values** form the foundation on which we perform work and conduct ourselves. The values underlie how we interact with one another and the strategies we use to fulfill our mission. Core values are essential and enduring and cannot be compromised.

Any strategy session should review the Coast Guard's Core Values, listed below. The organization's Mission and Vision and all aspects of the Strategic Intent should be aligned with these values. Because the Coast Guard Core Values are so pervasive, it is not necessary for units to develop their own; rather, assess how/if the unit behaves consistent with and reinforces the values.

### U.S. Coast Guard Core Values

**HONOR**. Integrity is our standard. We demonstrate uncompromising ethical conduct and moral behavior in all of our personal actions. We are loyal and accountable to the public trust.

**RESPECT**. We value our diverse workforce. We treat one another with fairness, dignity, and compassion. We encourage individual opportunity and growth. We encourage creativity through empowerment. We work as a team.

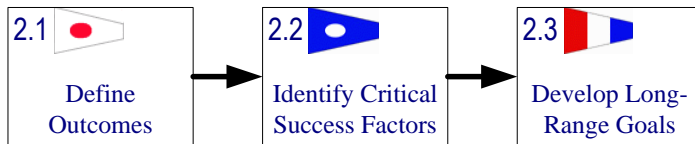
**DEVOTION TO DUTY**. We are professionals, military and civilian, who seek responsibility, accept accountability, and are committed to the successful achievement of our organizational goals. We exist to serve. We serve with pride.



## DEFINE THE STRATEGY

Defining the Strategy is inherently a leadership responsibility. While Action Planning can be jointly accomplished by organizational leaders and front-line teams, Coast Guard leaders cannot delegate strategy development.

Developing strategy encompasses defining Outcomes from the Stakeholders' perspective, identifying Critical Success Factors, and developing Goals for an 18- to 36-month time horizon. These Strategic Plan elements lay the groundwork for all strategic activities within the command. The following outlines essential steps in this process.



### Step 2: Define the Strategy

#### DEFINE OUTCOMES

**Outcomes** are the organizational or public benefit(s) that the unit seeks to achieve or influence:

- Outcomes identify the impact the organization has as opposed to the activities in which it engages.
- Outcomes should be derived from Stakeholder perspectives, expressed as expected results from the organization.
- Outcomes should encompass multiple stakeholder perspectives to ensure they are “balanced.”

Outcomes are not always under the full control of the organization; many factors can influence outcomes. However, if outcomes are well defined and continually focused upon, *they can be attained more often than not!*

## **IDENTIFY STAKEHOLDERS**

1. Begin by asking:
  - Who has an interest in what the organization provides?
  - Who cares whether the organization succeeds?
2. Participants can answer these questions on sticky notes (putting one stakeholder or group name on each). When finished, they can randomly place the notes on butcher-block paper or a whiteboard.
3. The participants then silently “affinitize” the stakeholders by clustering similar groups into similar or related categories. Attempt to create four to eight categories and name them.
4. Display these relationships in a diagram or chart.

## **DEFINE STAKEHOLDER EXPECTATIONS**

1. Break the participants into groups; assign one the previously defined primary stakeholder groups to each breakout group.
2. Ask each group to envision themselves riding a crowded escalator on which two members of their assigned stakeholder group are on the stairs ahead of them. The stakeholders do not realize you are there and they are discussing their experience with your organization as you’ve defined it in its enhanced future state (Vision).
3. Ask the group: What do you want to hear them say?
4. Each group then reports out the top two or three stakeholder quotes that most represent a future desired outcome. Record key items or common themes that cut across groups.

## **DEVELOP OUTCOMES**

1. Identify five to seven common outcome themes. Assign breakout groups to develop them into Outcomes Statements. Outcome Statements should be measurable and directly reflect the Vision.

2. Ask each group to report their outcomes. Take comments, but do not allow the group to wordsmith.
3. Assign an individual or small team to finalize the Outcome Statements offline.

### **IDENTIFY CRITICAL SUCCESS FACTORS (CSFs)**

**CSFs** are what the organization *must absolutely do right, or manage well*, if it is to achieve its Outcomes.

- Organizations may not control all factors leading to outcomes; however, CSFs are wholly within their control. CSFs generally relate to processes, people, or technologies that enable Outcome achievement.
- CSFs are leading indicators for Outcomes. Successful organizations know their CSFs and how they affect Outcomes. These causal relationships are monitored and reinforced through a robust measurement system.
- Until cause-effect relationships are identified, CSFs are no more than a management hypothesis based on individual experience, theory, or background. Measurement can be used to validate these hypotheses.

### **IDENTIFY CSFs**

Develop a list of potential CSFs by asking the group:

- What must you absolutely do right or keep in control to achieve your desired Outcomes?
- What is within your ability to control?

### **REDUCE TO THE CRITICAL FEW CSFs**

If breakout groups are used, each group should report their top CSFs. Then, together, the larger group should identify common themes, paring the list down to three to four total.

## DEVELOP LONG-RANGE GOALS

**Goals** are intentions that make the Vision, Mission, and Outcomes actionable. They typically encompass a shorter time frame than a Vision or an Outcome. Goals should address all organization aspects, including mission, operations, customer, process, people, and resources. They should facilitate reasoned trade-offs and be achievable. Goals usually cut across functions and can counteract sub-optimization.

### CREATING GOALS

1. Review the previously developed material.
  - o Outcomes – Ensure the Goals are directly aligned with and support the Outcomes.
  - o Critical Success Factors (CSFs) – Ensure the Goals support achieving the CSFs.
  - o SWOT Analysis (see box and tools) – Ensure strengths align to opportunities; establish Goals to leverage strengths to exploit opportunities; identify weaknesses that line up with threats; establish Goals that mitigate weaknesses and, consequently, reduce threats.
2. Identify six to eight potential organizational Goals; ensure Goals are concrete and within your control to attain. If breakout groups are used, report out Goals and consolidate.

### **SWOT Analysis**

**STRENGTHS**: Internal aspects of your organization that will help you achieve your Outcomes and CSFs.

**WEAKNESSES**: Internal aspects of your organization that will impede your ability to achieve your Outcomes and CSFs.

**OPPORTUNITIES**: External events/happenings that may help you to achieve your Outcomes and CSFs.

**THREATS**: External events/happenings that may impede your achievement of your Outcomes and CSFs.

## **AUDIT GOALS**

- Ensure the Goals satisfactorily aligned with up-line plans by auditing them against Outcomes, CSFs, and SWOT.
- Ensure perspective balance among: Mission/Operations, Customer/Stakeholder, Internal Processes, People, and Financial/Resources.
- Ensure the Goals meet the *Goal Writing Primer* criteria.

## **Goal Writing Primer**

### **CREATING GREAT GOALS!**

- Avoid the tendency to create too many goals. “If everything is important, then nothing is important.”
- Ensure goals support the Mission, Vision, Outcomes, and CSFs.
- Ensure you can articulate the *Why* of each goal.
- Make sure the goal describes a desired state or outcome.

### **GOALS SHOULD BE SMART**

- **S**pecific
- **M**easurable
- **A**ction-oriented
- **R**ealistic
- **T**ime Based

## DEVELOP THE ACTION PLAN AND EXECUTE

In their book *Execution: The Discipline of Getting Things Done*, Larry Bossidy and Ram Charan highlight the major reason most organizations fail in their attempts to implement strategy; they call it the “Execution Gap.”

Action Planning therefore must be a component of Execution. This step in the strategic planning process is the key to “operationalizing” the strategy that leadership has so adeptly fashioned. The best, most well-thought-out strategic plans are worthless if they cannot be implemented. The following outlines essential steps in this process.



### STEP 3: Develop the Action Plan and Execute

## DEVELOP STRATEGIES AND TACTICS

Strategies and Tactics tend to be actions that can be accomplished within a 12- to 18-month time frame. They should be tied to resources and specific milestones and deliverables in order to be monitored for progress/accomplishment. Strategies and Tactics are not static and may be modified as circumstances in the strategic environment change. They must, however, be tied closely to a goal or set of goals in the plan and provide some strategic value to the organization.

- **Strategies** are specific, quantifiable, assignable sets of actions or projects that lead to accomplishing a Goal over a specific time period.
- **Tactics** are specific tasks within a Strategy that can be assigned to an individual or team to accomplish over a short period of time.

### **DEVELOP STRATEGIES**

The leadership group should involve mid-level and front-line organization members in generating a set of Strategies they know will effectively accomplish their Goals. Strategies can cover one or multiple Goals. Once identified, leaders assign responsibility to a division or team for each Strategy to be undertaken.

### **DEFINE TACTICS**

Strategies should then be further broken down into Tactics by the division or team assigned responsibility. As the team identifies Tactics it should consider:

- **WHAT** ...the Strategy is intended to achieve;
- **WHY** ...achievement is important;
- **WHO** ...will participate in accomplishing the Strategy;
- **HOW** ...the Strategy will achieve the Goals;
- **WHEN** ...deliverables are needed to accomplish the Strategy.

### **ESTABLISH AN ACTION PLAN**

As it formulates its list of Tactics, the planning team should assign each Tactic to a work team or individual along with a milestone date. After a few *catch-ball* or pass-back review and improve cycles, the Action Plan is *approved* by the leadership team in a manner appropriate for the unit.

## **The *Balanced* Strategic Plan**

Comprehensive strategy and measurement balances:

- Past, present, and future performance;
- Near- and long-term strategic challenges;
- Strategic, operational, and tactical considerations;
- Perspectives of product and service, customer effectiveness, financial and budget, human resources, and organizational effectiveness.

A balanced strategic planning approach acknowledges that good strategy development requires a more holistic view of organizational performance.

### **ALLOCATE STRATEGIC RESOURCES**

To deploy the strategy, the leaders should engage in a process to identify and allocate resources for strategy execution. A recommended methodology follows:

#### **IDENTIFY NON-DISCRETIONARY FUNDING**

1. The CO and the unit funds manager identify the non-discretionary funds available for Strategic Projects.
2. The planning team creates the ground rules for using the funds to execute Strategic Action Plans.

#### **PRESENT DIVISION ACTION PLAN**

1. Division heads present their proposed actions for meeting the goals and estimate the people and funding required to complete the action.
2. The group questions the assumptions and the validity of the proposed action in a facilitated discussion, including how each action may affect other divisions or planned actions.
3. After all have spoken, the group should break into sub-teams to further refine proposals.



## **REFINE ACTION PLANS AND RESOURCES**

1. When groups reconvene, the facilitator should put the plans and resources into a strategic resource worksheet or spreadsheet for all to see.
2. The process continues through the questioning, refining, and reshaping cycle until consensus is reached (usually requires three to four cycles).
3. Document the final resource allocation in a strategic resource worksheet.

## **MONITORING PROGRESS AND EXECUTION**

Monitoring and controlling progress involves collecting and disseminating performance information as well as issues and concerns that may negatively affect achieving a strategy or tactic. Leaders and other stakeholders need this information to make midcourse direction and resource corrections. It also provides a fact-based method to hold individuals accountable to achieve assigned strategies and tactics.

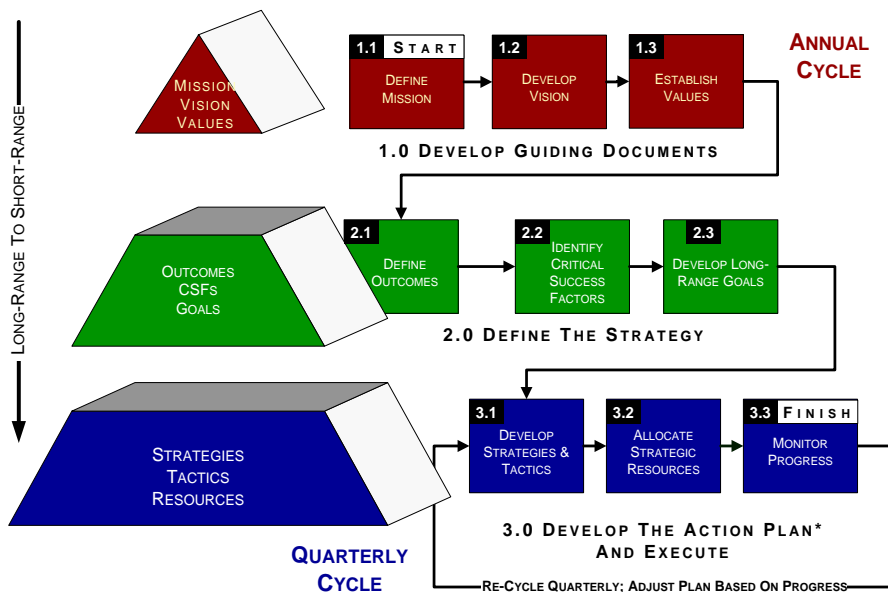
## **EXECUTING STRATEGIC PROJECTS**

1. Some action may be more easily executed as a project. In these cases, proper planning should precede any quantifiable work. The assigned team or individual should develop and document the plan using whatever convention is customary. A project abstract and/or GANTT Chart usually suffice.
2. Whether a project or a single action item, the responsible individual or team shall work closely with a Leadership Champion or Sponsor to ensure the project requirements are being met, paying particular attention to deliverables and timelines.

## CONDUCT STRATEGY/PROGRESS REVIEW MEETINGS

1. Responsible entities are accountable for all aspects of execution. They and their Leadership Champions shall confer on a regular basis in a mutually agreed manner. They shall keep stakeholders informed of progress.
2. Responsible entities should brief leaders during regularly scheduled, periodic strategic progress reviews. During these briefings, the responsible person explains current status, presents any new challenges and barriers to progress, and outlines next steps. Midcourse corrections arising from the review session shall be incorporated into the next update to the Action or Project Plan.

### Strategy drives action:



Refer to the table of tool usage for additional planning tools.