
GUIDELINES FOR PREPARING A STRATEGIC PLAN DOCUMENT

1. Purpose of the Guidelines

These Guidelines are intended to provide a framework for presenting the strategic plan of a government department / ministry. Departments are free to add material and sections that are relevant for their particular context. In that sense, this represents the minimum and not the maximum requirement.

The quality of the strategic plan can only be judged in the long-run by looking at the degree of achievement of the long term objectives and the progress in moving towards the final vision for the department. However, if the process of developing a strategy is robust, the probability of achieving the final goals of the strategy increases exponentially.

2. Strategy and Results- Framework Document (RFD)

Strategy is an integrated set of choices to reach an objective. The formulation of a sound strategy facilitates a number of actions and desired results that would be difficult otherwise. A strategic plan, when communicated to all members of an organization, provides employees with a clear vision of what the purposes and objectives of the firm are. The formulation of strategy forces organizations to examine the prospect of change in the foreseeable future and to prepare for change rather than to wait passively until external forces compel it. Strategic formulation allows the departments to argue their case more persuasively for better allocation of limited resources to achieve national objectives.

On the other hand, an organization without a clear strategic plan gives its decision makers no direction other than the maintenance of the status quo. The organization becomes purely reactive to external pressures and less effective at dealing with change.

The finalization of strategic plan for next five years is a mandatory success indicator for departments in their Results-Framework Document (RFD). RFD is an instrument to ensure that things are done right—that is effectively and efficiently. However, we also need to make sure that right things are getting done. A departmental strategy is the mechanism to ensure that the departments are moving in the right direction and doing the desirable things from the

national point of view. Another way of looking at the relationship between RFD and departmental strategy is as follows: RFD is an instrument to implement a strategy and convert departmental vision into reality. Thus, they are complementary instruments.

3. Format of Strategic Plan Document

The Strategic Plan Document should consist of the following seven sections:

Section 1: Ministry's Vision, Mission, Objectives and Functions

Section 2: Assessment of the situation

Section 3: Outline of the Strategy

Section 4: Implementation Plan

Section 5: Linkage between Strategic Plan and RFD

Section 6: Cross departmental and cross functional issues

Section 7: Monitoring and Reviewing arrangements

In the rest of this document we provide a brief description of each of the above seven sections.

Section 1: Ministry's Vision, Mission, Objectives and Functions

This should be same as mentioned in the section 1 of RFD. This section should include the answers to two very important questions that define the aspiration:

- (i) What is our purpose?
- (ii) Where we aspire to be?

Section 2: Assessment of the situation

This section deals with the analysis of the organization's operating environment. It should include answers to following questions:

2A. What external factors will impact us?

While preparing answer to this question a broad thinking is required to consider the following illustrative list of external factors:

- a. Political: Political landscape, other government policy and initiatives, international politics and relations
- b. Economic: Business cycles, GDP trends, interest rates, inflation, unemployment, etc
- c. Socio-Cultural: Population demographics, income distributions, social mobility, lifestyle changes, level of education
- d. Technological :Trends in information technology, role of technology in productivity improvement, technology for renewable energy, etc
- e. Environmental: Environmental legislation, energy consumption, waste disposal, carbon reduction, etc.
- f. Legal: Local, national and international law, Labour Law etc.

2B. Who are our stakeholders ?

The stakeholder analysis is to be done where for each groups/set of stakeholders the Power and Stakes dimensions are to be analyzed through answers for following questions:

Power : How can they help us?

: How can they block us ?

Stakes : What would they want from us ?

: What do we want from them?

2C . What are our strengths and weaknesses?

While assessing internal strengths some questions that can be considered are :

- i. What made us ?
- ii. What drove our success in the past?
- iii. What internal skills and knowledge do we possess?
- iv. What do other stakeholders see as our strengths?
- v. While assessing internal weaknesses some questions that can be considered are :
- vi. What is hindering our aspirations?
- vii. What were causes of failures in the past?
- viii. What additional knowledge and skills we need to learn?

ix. What do others see as our weaknesses?

2D What do we need to learn?

This requires creating learning agenda for the organization. The critical learning agenda shall pertain to those areas where we have little knowledge but the area is most important for our functioning.

Section 3: Outline of the Strategy

The development of strategy has to specifically and deeply consider the implications from the Section 2, i.e. the assessment phase.

This section should answer following questions:

3A. What are potential strategies?

The strategic initiatives are to be based on analysis of external forces and internal capabilities. This analysis should cover the following:

Pursue policy / initiatives that fit our strengths

Overcome weaknesses with new knowledge and capabilities

Identify actions that can leverage our strengths to reduce vulnerabilities to external threats

Establish a defensive plan to prevent our internal weaknesses from making it susceptible to external threats

3B How will we engage our stakeholders?

The stakeholder engagement plan should mention for each stakeholder group the questions that must be asked, mode of interaction, when (periodicity) and who will be responsible for doing it.

3C How will we build our knowledge and capabilities?

The learning plan should address following issues:

What do we need to learn? (From 2D)

From where and from whom can we learn?

How will we organize this?

Who is responsible?

3D What are the priorities?

The Strategic Initiatives for the ministry/department to be listed and prioritized adding to total of hundred.

For example suppose there are five (the figure is taken just for illustration, strategic initiatives can be many more) strategic initiatives then department may give weights/priorities as below :

Strategic Initiative 1 : 30

Strategic Initiative 2 : 25

Strategic Initiative 3 : 20

Strategic Initiative 4 : 15

Strategic Initiative 5 : 10

Total : 100

The prioritization has to be done on the basis of three dimensions of suitability (effectiveness and impact), feasibility (ease of implementation) and acceptability (by stakeholders).

Section 4: Implementation Plan

The implementation plan should cover the following :

- (i) Strategic Initiatives
- (ii) Stakeholder engagement: Who, When and How?
- (iii) Learning Agenda : What, When and How?
- (iv) Resources required : People, Money, infrastructure
- (v) Tracking and measuring : Measurables and observables to assess progress, methods of reviews, methods of corrective actions
- (vi) Overall Plan and milestones: Detailed activities, points of coordination, milestones and review points

Section 5: Linkage between Strategic Plan and RFD

RFD section 2 starts Objectives. It assumes that these objectives and corresponding actions are a result of a well-thought out strategy. A link between strategic initiatives, objectives, actions and performance indicators are to be established and depicted both in this section of Strategic Plan document and RFD document. In other words, the strategy document should contain clear guidance for the RFDs for the next few years.

Section 6: Cross departmental and cross functional issues

The Strategic Plan document is part of a process of strategic management in Government Departments and Offices, aimed at providing a better service to citizens. In this context, it is vital that there is a clear and consistent alignment between Strategic Initiatives, resource allocations as provided for in the Budget and Plan documents, Annual Reports and Outcome Budget and individual and team objectives derived through the Performance Monitoring and Evaluation System (PMES). This section should more specifically cover the following :

6A Linkage with potential challenges likely to be addressed in the 12th Plan

The purpose of RFDs is to ensure that departments are working in a coordinated manner to achieve national objectives. That is why it is critical that this section should explicitly examine what contribution the department can make to overcome national challenges listed in Flag A. Not all departments may have a role in all the 12 challenges mentioned in Flag A. Therefore, departments may like to highlight those areas where they have a distinct and substantive role to play.

6B. Identification and management of cross departmental issues including resource allocation and capacity building issues.

When preparing cross-departmental objectives, Ministries/ Departments should ensure that there is consultation with other organizations involved in dealing with the issue. The details of these consultations should be explicitly referenced in the Strategy Statement. The Strategy statement should identify all other

organizations having a role in tackling the same issue and arrangement in place to ensure a coordinated approach between them. An effective strategic management approach requires a perspective on resource allocation and prioritization on the basis of a critical scrutiny of existing practices and procedures. In this regard, the Strategy Statement should be prepared bearing in mind how departmental resources will be allocated in the budget for each strategic programme. The Ministries/ Departments must have the capacity/capabilities to achieve chosen objectives and strategies and address gaps through structural and policy initiatives, where necessary. The capacity building issues should here draw from the Learning agenda as mentioned under Section 4: Implementation Plan. Responses to address internal capacity/capability issues should be included in the Strategy Statement, to illustrate how resources will best be developed and used to achieve identified strategic priorities.

6C. Cross functional linkages within departments/offices

In many Ministries/Departments, more than one Division will contribute to the achievement of many of the objectives and strategies. This should be explicitly recognised in the Strategy Statement, which should set out the “whole of organisation” approach being adopted in particular circumstances. Synergies and relationships within a ministry/department may be lost if formulation takes place only at Divisional level, and the role of the senior management team in providing collective leadership is essential.

6D Organizational Review and Role of agencies and wider public service

Identification of organizational goals should lead to consideration of the most appropriate structures and systems for the organization to achieve these goals and this should form part of strategic initiatives of the ministry/department.

The Strategy Statement should indicate the measures in place to ensure that the Government’s policies and objectives are being achieved by Agencies and Bodies operating under the aegis of the Department. This should indicate measures to ensure that Citizen’s/ Client’s Charter are in place for ministry / department and all such Responsibility Centers and are implemented.

The Strategy Statement should also take into account the Administrative Reforms Commission recommendations as accepted by the government for implementation for rationalization of ministries/departments and its agencies.

Section 7: Monitoring and Reviewing arrangements

To provide emphasis to internal monitoring and review for successful implementation of strategy, this separate section should mention the institutional arrangements for monitoring and reviewing in addition to what has been already covered under the headings 'tracking and measuring' and 'overall plan and milestones' under the Section 4 : Implementation Plan.