

Refocus Your Questions for Better Business Planning

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An easy way to assess a business plan is to check the extent to which it answers two sets of questions. The first set is the strategic planning questions of:

- Where are we?
- Where are we going?
- How do we get there?
- How do we know when we get there (criteria for success)?

The second set of questions is at the tactical and operational level and include:

- HOW are resources spent?
- WHO is to be reached by the efforts?
- WHAT do we want to achieve?
- WHY?

Recent federal government business plans have done a reasonable job answering the strategic level questions, but have fallen down at the tactical/operational level. While many plans answer the HOW question in great detail listing expenditures, activities, outputs, and milestones, they are often vague when it comes to explicit descriptions of targeted users and outcomes (i.e., WHO? WHAT do we want? WHY?). Proposed measures overwhelmingly relate to expenditures, outputs, and delivery milestones such as the number of events, service interactions or projects as opposed to outcomes measures, which include user satisfaction, behaviour influence (e.g., compliance rates), value-added, and socio-economic benefits.

There are at least three negative consequences from concentrating on HOW in business plans:

1. A vague outcomes focus at the tactical and operational level tends to make one lose sight of the forest for the trees. Departments may 'drift' away from their vision and mission.
2. Activity compliance tends to get reinforced as a value as opposed to mission achievement. This reduces learning, creativity, and morale.
3. Without specific outcomes statements, a department often relies on anecdotal 'success stories' to prove its worth. These usually provide an insufficient performance story for senior reviewers seeking value for money.

A number of public organizations are trying to adjust their focus. They are putting in place a mechanism - a performance framework - to relate to WHY? WHAT do we want? and WHO? as well as HOW? components.

The National Research Council has initiated a process which is combining a 'top-down' corporate performance framework - essentially outlining the HOW? WHO? WHAT do we want? and WHY? for the Council as a whole with 'bottom-up' frameworks developed independently by each technology group. The Canadian Space Agency has also taken steps in this direction. Aileen Shaw, Director of Audit, Evaluation and Review Division, recently noted the framework's strategic value:

The value of the approach lies as much in the discipline involved in analyzing the relationship among outcomes (WHAT and WHY), specific activities (HOW), and WHO we are trying to reach over a broad time frame as in the final product - the overall performance framework. An understanding of the relationships between and among the elements allows a better focus on achieving the mission and objectives of the organization.

Industry Canada has taken similar steps to strongly articulate WHO? WHAT do we want? and WHY? questions into their business planning for specific initiatives launched in policy, consumer products, and spectrum management regulation.

The Consumer Products Branch of the Department has articulated, measured, and reported the resources (HOW?), reach (WHO?), and results (WHAT do we want? WHY?) at project and regional levels over the past year and a half and have now begun to use the concepts at the national level.

In Spectrum Management, the British Columbia and prairies regional offices have taken steps to use a performance framework to articulate and then help plan their desired reach and outcomes. Regional Director, Bruce Drake, notes that the approach has helped the management team "to quickly identify a series of practical steps we can take to provide a firm basis for future results measurement."

Natural Resources Canada, Energy Sector, has established guidelines for business plans which stress outcomes objectives to complement vision, mission, environmental scan, and strategic directions statements.

The terms outputs, outcomes, and impacts are often used synonymously, when in fact they are quite distinct. One of the efforts we have made in the Energy Sector is to define exactly what we mean by these terms to ensure that we're all speaking the same language," says Jennifer Hollington, Chief of Sector Planning. "I believe it is useful to measure all three since the longer-term impacts of projects, particularly S&T activities, may take years to be realized. By identifying and monitoring the expected outputs, outcomes, and impacts of activities, an organization can regularly assess progress towards the achievement of goals and ensure that its projects and programs remain on track over their lifetime and contribute to the organization's mission.

The consideration of the performance framework elements related to how resources are used, who is reached by the program, and what outcomes are achieved can provide fundamental criteria for decision-making. At the Regional Municipality of Ottawa-Carleton, the Home Care Program

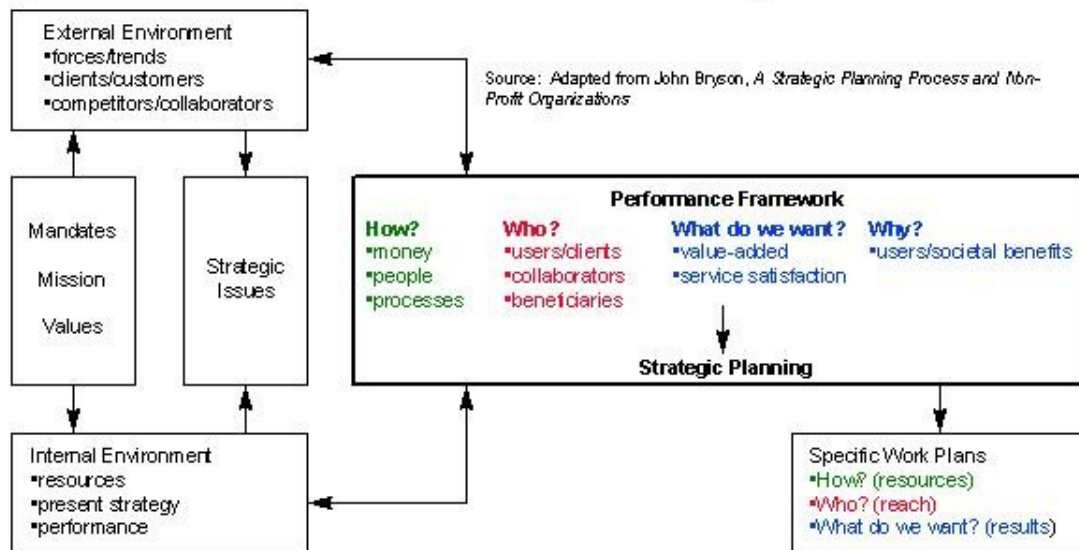
management team used these elements to help to determine its structure for case load management. Service areas which showed unique requirements for core competencies and potential efficiency impacts (i.e., HOW traits), unique user and collaborator segments (i.e., WHO traits), and unique desired outcomes (i.e., WHAT do we want? traits) were designated for specialized teams.

In summary, a performance framework which establishes HOW? WHO? WHAT do we want? and WHY? for a project, program, or group has proven itself useful as a tool for business planning. The key advantages include the following:

- Outcomes Orientation - The performance framework focuses an individual or group on the outcomes of their activities rather than inputs or processes. This allows for better linkage to mission and high level goals than in traditional planning.
- Balance - The performance framework renders an explicit picture of the key aspects of performance. Each of the elements becomes a context for the others. For example, a strategy for very wide reach (WHO?) with limited resources (HOW?) will likely face a significant trade-off in results (WHAT do we want?). Trade-offs can be made explicit in the performance framework plan.
- Communications - A performance framework which uses basic questions is easy to understand and easy to communicate in planning and reporting.

The linkage of the framework to planning is shown in Figure 1.

Figure 1: The Performance Framework Links Strategic Plans to Work Plans



A consensus model for business planning in the federal public service has yet to fully emerge; however, one key requirement is clear. Business plans will require a stronger outcomes orientation at all levels of management. The simple rhetorical applications of HOW? WHO? WHAT do we want? and WHY? questions can help achieve this change. ©1997 Performance Management Network