Three step approach to operational planning

Compass Partnership

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Aims of this workshop

1. To demystify operational planning
2. To equip you with a common framework and language
3. To suggest practical tips to help you plan effectively

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A common planning process

Strategic Plan or Framework

↓

Board decisions

↓

Operational Plans and budgets

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What is Operational Planning?

Operational Planning is a process. It will answer the questions:

- **What are you aiming to achieve?**
- **What you are going to do?**
- **When are you going to do it?**
- **How much will it cost?**
- **How will you know you've achieved your objectives?**

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Why plan?

For you

- To focus on delivering the organisation's objectives
- To manage your workload better
- To cope with change
- To have confidence
- To give you a sense of achievement

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Why plan?

For Senior Managers

- To co-ordinate between functions
- To allocate resources to ensure priorities are achieved
- To hold people accountable for progress

For the organisation:

- To develop a shared understanding of priorities
- To promote the organisation to stakeholders
- To learn in a more systematic way about what works

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Operational planning terms

- **Objectives:** Specific, Measurable, Actionable, Realistic Time-framed statements of what your team aims to achieve
- **Activities:** The key functions you will undertake, or things you will do, in pursuit of your team's objectives
- **Tasks:** The principal steps required to complete each activity, each resulting in an identifiable output
- **Resources:** The money, people, time, facilities and equipment needed
- **Inter - dependencies:** Dependent relationship between the activities planned by different teams

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More terms

- **Outputs:** The direct product of an activity, often measured in volume terms
- **Outcomes:** The impact your activities have or results they achieve
- **Performance indicators:** Clearly-defined output or outcome measures used to track the success of your activities
- **Targets:** What you aim to have done or achieved by key dates

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Some assumptions

- Planning is not just forecasting – it should aim to change the future
- Planning is an art not a science - there is no one right way to plan
- Plans should not be set in stone
- Plans are not just the paper they are written on – they must influence peoples' behaviour

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Top level corporate plan contents page

- Strategic Plan objectives
- Services
- Campaigns
- Fund raising
- Human Resources
- Finance and infrastructure
- Integrated budget

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Common Problems

- There is no common language
- It is too long and too complicated
- Conventional wisdom doesn’t get challenged
- It is too ambitious
- It is not owned by the people responsible
- It is not used through the year
- Budget game playing

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The three step process

1. Establish ‘departmental’ objectives
2. Agree activities
3. Propose timetable, resources and KPI’s

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Step 1 Establish ‘departmental’ objectives

- Focus on achieving Strategic Plan objectives
- Make sure they are SMART
  (Specific, Measurable, Actionable, Realistic and Timetabled)
- Work on making them really clear
- Maximum of 3 – 6 objectives
- Check with colleagues

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Step 2 Agree activities

- Challenge current activities
- Brainstorm new activities
- Maintain focus on Strategic Plan objectives
- Identify activities that may cease

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Step 3 Propose timetable, resources and KPI's

- Establish staff time and £ required
- Remember staff have approximately usabale 160 days pa
- Categories priorities as:
  - Critical to achieve Strategic Plan objectives
  - Important, but insufficient resources to achieve this year
  - Contributes to mission, but could be done later
- Be realistic about time-frames

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Some tips

- First plan each activity without compromise
- Once all activities planned, assess overall resource implications
- Identify interdependencies
- Then prioritise, change activities to fit budget guidelines
- Don’t change time and financial budgets without changing the activity
- Nail down interdependencies

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So what do I have to do…

- Review your organisation's Strategic Plan
- Prepare plan submission in agreed format
- Discuss with colleagues and improve
- Submit draft to line manager
- Revise following robust review with line manager
- Submit final plan
- Support colleagues throughout

Compass Partnership

Mike Hudson is the Director of Compass Partnership. He was the Administrative Director of Friends of the Earth during its formative years. Following this, Mike worked in the UK and USA for a business strategy consultancy. He has worked as a consultant to not-for-profit organisations for 25 years leading teams that bring about major change in complex organisations. His clients include the Chairs and Chief Executives of a wide range of national and international organisations in the voluntary, housing, education and international aid sectors and their government and foundation funders.

Mike was a Visiting Fellow at the London School of Economics from 2000 – 2003 and is currently a Visiting Fellow at Cass Business School in London.

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Managing Without Profit, Mike Hudson, (DSC, 2009) sets out the theory and practice of creating highly successful nonprofit organisations.

Managing at the Leading Edge, Mike Hudson, (DSC, 2003) describes what can be learned from the management and governance of nonprofit organisations in the USA.

Both are available from www.dsc.org.uk

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