



Indian and Northern
Affairs Canada

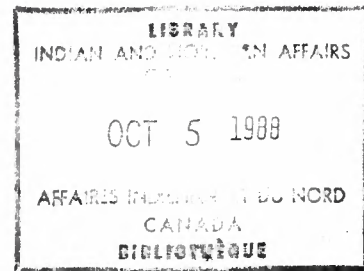
Affaires indiennes
et du Nord Canada

OPERATIONAL PLANNING

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BAND TRAINING AND ADVISORY SERVICES BRANCH
INDIAN AND NORTHERN AFFAIRS CANADA



OPERATIONAL PLANNING

SKILLS TRAINING

SESSION GUIDE

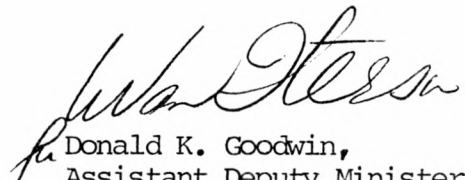
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FOREWORD

It is with great pleasure that I am able to introduce to you this training package on operational planning. The Program has undertaken the development of the package in the belief that operational planning is the cornerstone of the management process in Indian and Inuit Affairs. To emphasize this, I wish to address a few remarks to trainers and participants alike concerning operational planning in general and this package in particular.

In 1981-1982, this Program underwent its first operational planning cycle and developed the 1981-1986 edition of the National Program Operational Plan. Despite some problems and deficiencies, this was perceived as a major step towards improved management and control within the Program. Among the most important of the recommendations emanating from the departmental evaluation of this process and from our own in-house review was the need for improved skills training in relation to operational planning. This package has been developed to give effect to these recommendations and thereby improve our ability to manage.

In light of my personal commitment to operational planning in Indian and Inuit Affairs, I am pleased that we are acting to improve our planning skills, and hopefully, the quality of our plans. I wish you every success in your training session and encourage your continued interest and commitment to this Program's operational planning process.


Donald K. Goodwin,
Assistant Deputy Minister
Indian and Inuit Affairs.

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REFERENCE

GUIDE TO THE POLICY AND EXPENDITURE MANAGEMENT SYSTEM

1. INTRODUCTION

- 1.1 With the increased complexity and rapidity of change in Canadian society; issues facing government and the programs responding to them have become more numerous and complex. Consequently, a new approach to organization and management in government is necessary.
- 1.2 The new policy and expenditure management system is a step towards increased expenditure control, accountability and improved policy-making and priority setting.

2. THE MANAGEMENT OF PUBLIC MONEY: FRAMEWORK AND COMPONENTS

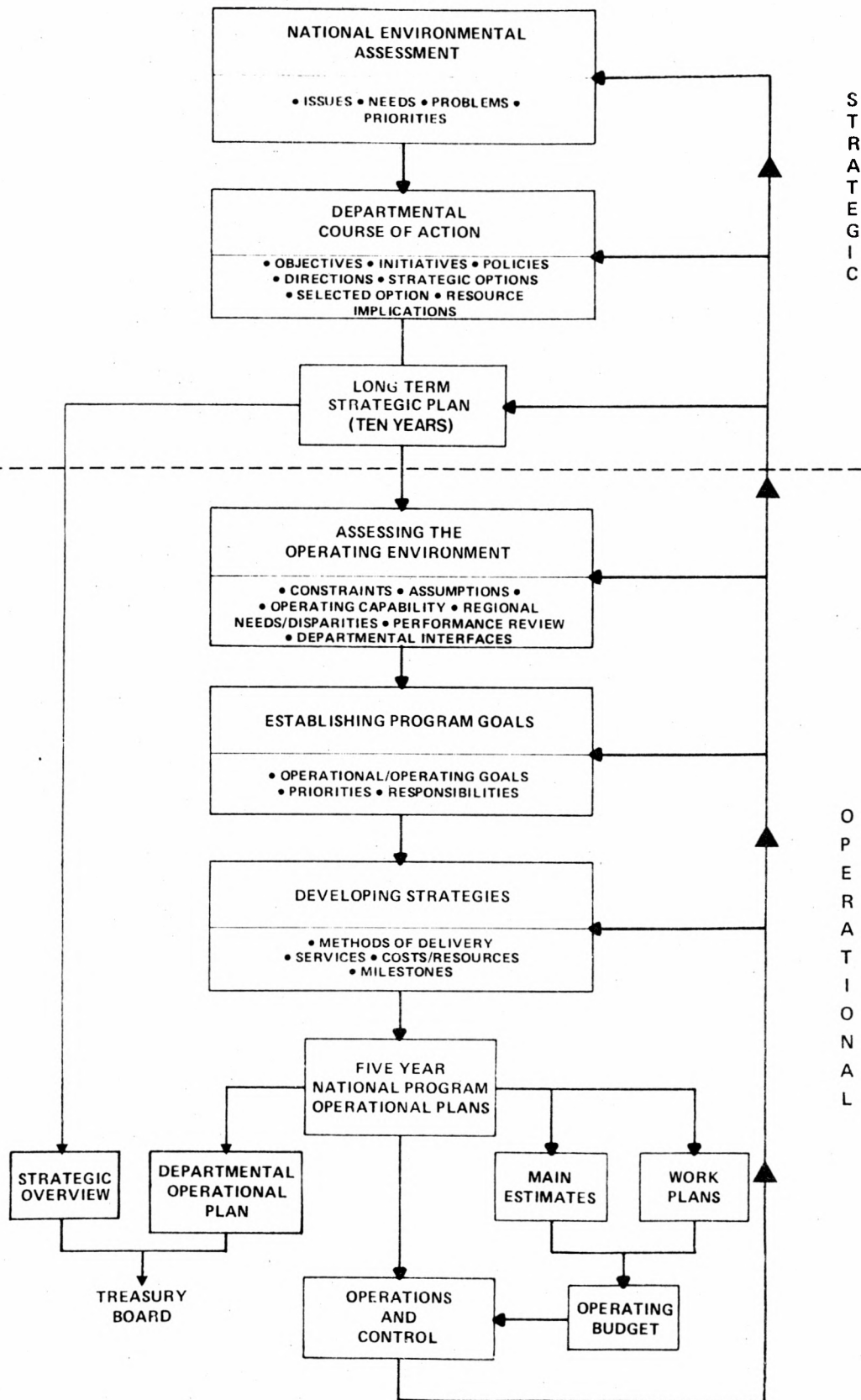
The Financial Administration Act provides the statutory basis for most of the financial practices followed by departments and agencies, and for the assignment of responsibilities for financial administration. Ultimate control of the public purse and the financial structure rests with Parliament, under the fundamental principles that no tax will be imposed and no money will be spent without the authority of Parliament, and that expenditures will be made only for the purposes authorized by Parliament.

2.1 Source of Money

The government has two major sources of money - revenue and borrowings. The main sources of federal revenue are the personal and corporate income tax, commodity taxes and customs duties. They are authorized by laws passed by Parliament. In addition, there are non-tax revenues such as fees, licences and proceeds from sales. Borrowing is addressed by the Minister of Finance, who is authorized to borrow money by the issue and sale of securities at such rates of interest and subject to such terms and conditions as the Governor in Council may approve.

2.2 The Application of Public Money

The government's planned revenues and expenditures are presented to Parliament in the Budget Speech delivered by the Minister of Finance, and in the Estimates of expenditure tabled by the President of the Treasury Board. The Budget Speech reviews the financial position and prospects of the government and announces plans and proposals. The Estimates present to Parliament the spending proposals for the coming fiscal year. Parliament is asked to vote interim supply at the end of March and then the estimates are referred to the appropriate standing committees of the House of Commons and the Senate for detailed consideration. The Committees' report on the Estimates, is followed by introduction of an Appropriation Act.



OVERVIEW OF THE NATIONAL PLANNING PROCESS

RELATIONSHIP OF PLANNING YEARS AND EXPENDITURE PLANS

As at September 1981, Current Year, CY = 82/83

		79/80	80/81	81/82	82/83	83/84	84/85	85/86	86/87	87/88
March 79	Strategic Overview	CY	UY	PY1	PY2	PY3 *				
Sept 79	Fiscal Plan	CY	UY	PY1	PY2	PY3				
March 80	Strategic Overview		CY	UY	PY1	PY2	PY3 *			
Sept 80	Fiscal Plan		CY	UY	PY1	PY2	PY3			
March 81	Strategic Overview			CY	UY	PY1	PY2	PY3 *		
Sept 81	Fiscal Plan			CY	UY	PY1	PY2	PY3		
March 82	Spring Operational Plan				CY	UY	PY1	PY2		
March 82	Strategic Overview				CY	UY	PY1	PY2	PY3 *	
Sept 82	Fiscal Plan				CY	UY	PY1	PY2	PY3	
Oct 82	Fall Operational Plan				CY	UY				
March 83	Strategic Overview					CY	UY	PY1	PY2	PY3 *

CY - current year UY - upcoming year PY1 - planning year 1

* proposals, not within previous fiscal plans

DEPARTMENTAL PLANNING
AND MANAGEMENT POLICY

SEPTEMBER 14, 1981

REFERENCE

2.3 Control of and Accounting for Public Money

All public money must be deposited in the Consolidated Revenue Fund which is managed by the Minister of Finance. The form of accounts and records to be maintained is the responsibility of the Treasury Board. Apart from payments to provincial governments, Ministers are responsible under the Financial Administration Act for the legality, necessity and advisability of all payments from public funds under their administration. The primary financial reports for the government are the Public Accounts of Canada. These include financial transactions, statements of revenues, expenditures, assets and liabilities by departments, and financial reports for Crown corporations. Other reports are the annual statements of budgetary and non-budgetary financial transactions and of the government's cash and debt position.

2.4 Audit

The legislative mandate of the Auditor General includes the expression of opinions on financial statements and the reporting of cases where accounting for or control of public resources has been inadequate, or where, money has not been expended for the purposes intended. The House of Commons' Standing Committee on the Public Accounts reviews the Public Accounts of Canada and the annual reports of the Auditor General; these documents form the basis of the Committee's inquiries which in turn are reported to the House of Commons.

3. THE POLICY AND EXPENDITURE MANAGEMENT SYSTEM

3.1 Objectives of Recent Changes

Changes to the policy and expenditure management system have been aimed primarily at the following objectives:

- to achieve closer integration of the government's priority setting, policy development and expenditure management decision-making process
- to decentralize decision-making authority
- to increase Ministerial direction and control over the policy, planning and expenditure decisions of the government
- to provide an adequate time frame in the planning process.

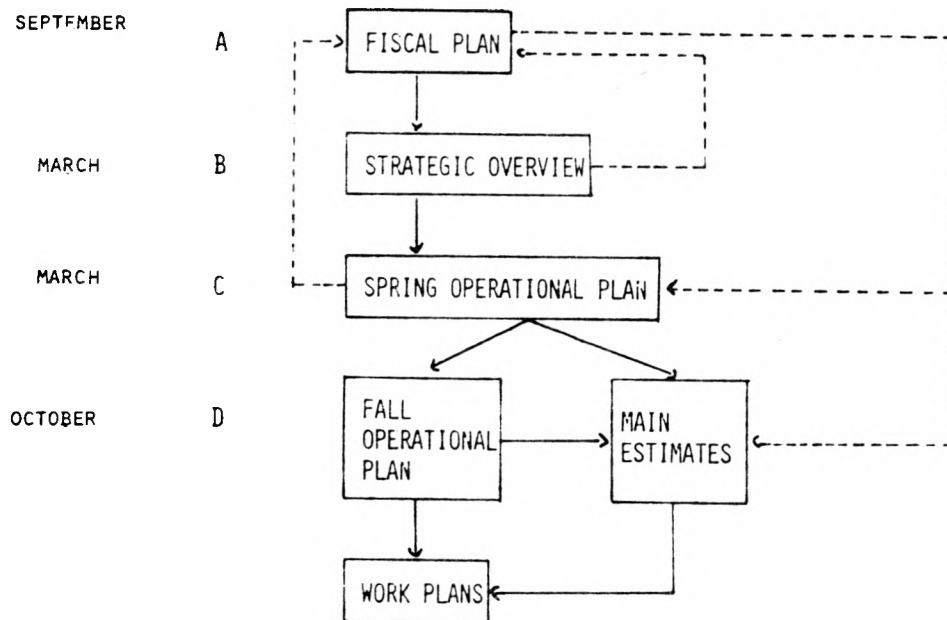
3.2 Determination of the Policy and Resource Management Framework

Policies and programs and fiscal objectives are reconciled in a multi-year Fiscal Plan. The development of the Fiscal Plan includes consideration of:

- the government's overall priorities
- the revenue and expenditure implications of current and planned policies and programs, given the likely economic scenario

OVERVIEW OF PROCESS

IMPLICATIONS FOR DIAND



- MORE JUSTIFICATION OF A - BASE AND B PROPOSALS
- MORE COORDINATION OF RESOURCE AND POLICY PLANNING
- MORE CONTROL
- LONGER PLANNING HORIZON
- MORE INFORMATION REQUIREMENTS
- MORE EMPHASIS ON PROGRAM EVALUATION
- MORE COORDINATION AND COOPERATION BETWEEN DEPARTMENTS
- MORE LEAD TIME REQUIRED TO OBTAIN DECISIONS
- MORE DEMANDS ON MANAGEMENT TIME

REFERENCE

- the desirable fiscal stance under the same economic scenario
- alternatives for achieving different revenue and expenditure levels.

The Plan includes spending levels or 'envelopes' for policy sectors within the total. The multi-year envelopes for policy sectors encourage assessment of the resource requirements of proposed policy or program changes, as well as the evaluation of existing programs and the consideration of trade-offs between competing programs for resources available within an envelope. Resource envelopes are set by the Cabinet Committee on Priorities and Planning in the context of the government's Fiscal Plan and overall priorities and define resources available to policy committees. Currently, there are ten sectors and associated resource envelopes assigned to five committees of Cabinet.

3.3 Cabinet Organization for Policy and Expenditure Management

The Cabinet Committee system provides the structure for the system. There are six committees. Four Policy Committees (Economic Development, Social Development, Foreign and Defence Policy, and Government Operations) are responsible for policy and program development within their respective sectors. Two committees have government-wide responsibilities these being, Priorities and Planning and Treasury Board. The former is the forum for the establishment of the government's general directions and the multi-year Fiscal Plan. Policy Committees develop the sectoral strategies within the multi-year resource envelopes. The Treasury Board continues to be responsible for financial, personnel and administrative systems. The Priorities and Planning Committee, Cabinet Committees, and Treasury Board are all supported by a network of secretariats and committees.

3.4 Departmental Planning and Management

Under the overall direction of the Comptroller General, action plans to strengthen internal planning and control processes are being currently implemented by departments and agencies. Internal planning and control systems are to be consistent with the form of Estimates and Public Accounts which report the governments expenditure plans and the actual moneys spent.

4. PRINCIPAL INSTRUMENTS OF PLANNING AND MANAGEMENT

4.1 The Fiscal Plan

The key to the operation of the system is the establishment of a Multi-Year Fiscal Plan. This Plan includes expenditure and anticipated revenue levels for the current fiscal year, the upcoming year and three planning years. Based on overall government priorities, fiscal policy considerations, the costs of

A: FISCAL PLAN

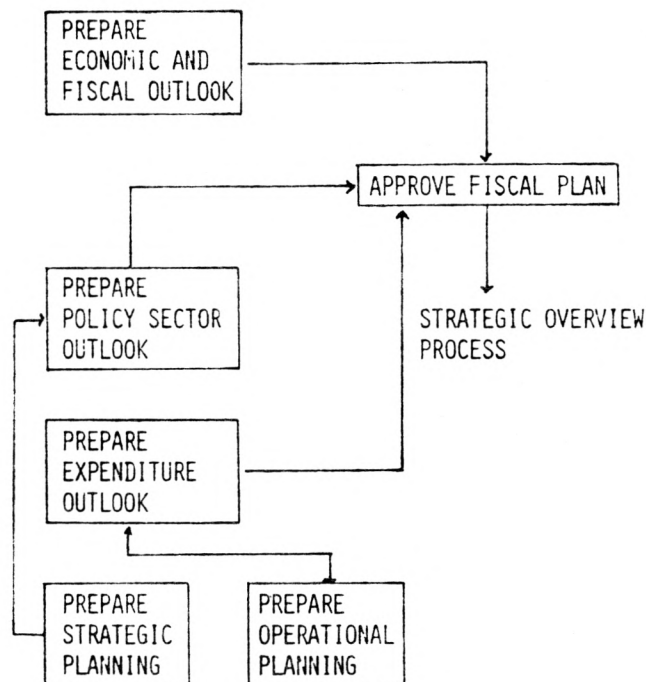
DEPARTMENT
OF
FINANCE

PRIORITIES AND
PLANNING

POLICY COMMITTEES

TREASURY BOARD

DEPARTMENTS



FISCAL PLAN

SPAN

- COVERS 5 YEARS (CY, UY, PY1, PY2, PY3)

CONTENT

- EXPENDITURE AND ANTICIPATED REVENUE LEVELS
- POLICY SECTOR RESOURCE ENVELOPES BASED ON
 - GOV'T PRIORITIES
 - FISCAL POLICY CONSIDERATIONS
 - COSTS OF EXISTING PROGRAMS
 - SECTOR PLANS

TIMING

- APPROVED ANNUALLY EACH SEPTEMBER BY THE PRIORITIES AND PLANNING COMMITTEE
- UPDATED AT ANY TIME IF ECONOMIC OR FISCAL CLIMATES CHANGE

REFERENCE

existing and planned policies, and Policy Committee sectoral plans, expenditure envelopes are set for each policy sector and departmental planning figures established for the initial years. The plan is subject to a regular update each fall.

4.2 The Strategic Overview

Departmental strategic plans describe departmental roles, term objectives, strategies, policies and programs. The Strategic Overview relates departmental plans to the government's policy priorities and expenditure framework. The Strategic Overview includes:

- a review of objectives
- a review of alternative strategies for pursuing objectives
- a description of proposed changes to currently approved policies and programs
- a summary of the findings of program evaluations and the changes proposed as a result of these findings.

4.3 The Spring Operational Plan

The Spring Operational Plans include the following types of information:

- the medium range goals and strategies of the department
- the manner in which the department is pursuing its medium range goals through its programs, including how program contributes to the goals, the benefits and results anticipated and the manner in which the efficiency of programs will be evaluated
- historical and projected future trends of the level of demand of program benefits or services and the associated costs.

Departmental Spring Operational Plans are submitted annually at the end of March to Treasury Board for review, and to the appropriate Policy Committees for information. An updated Plan accompanies departmental Main Estimates in the Fall.

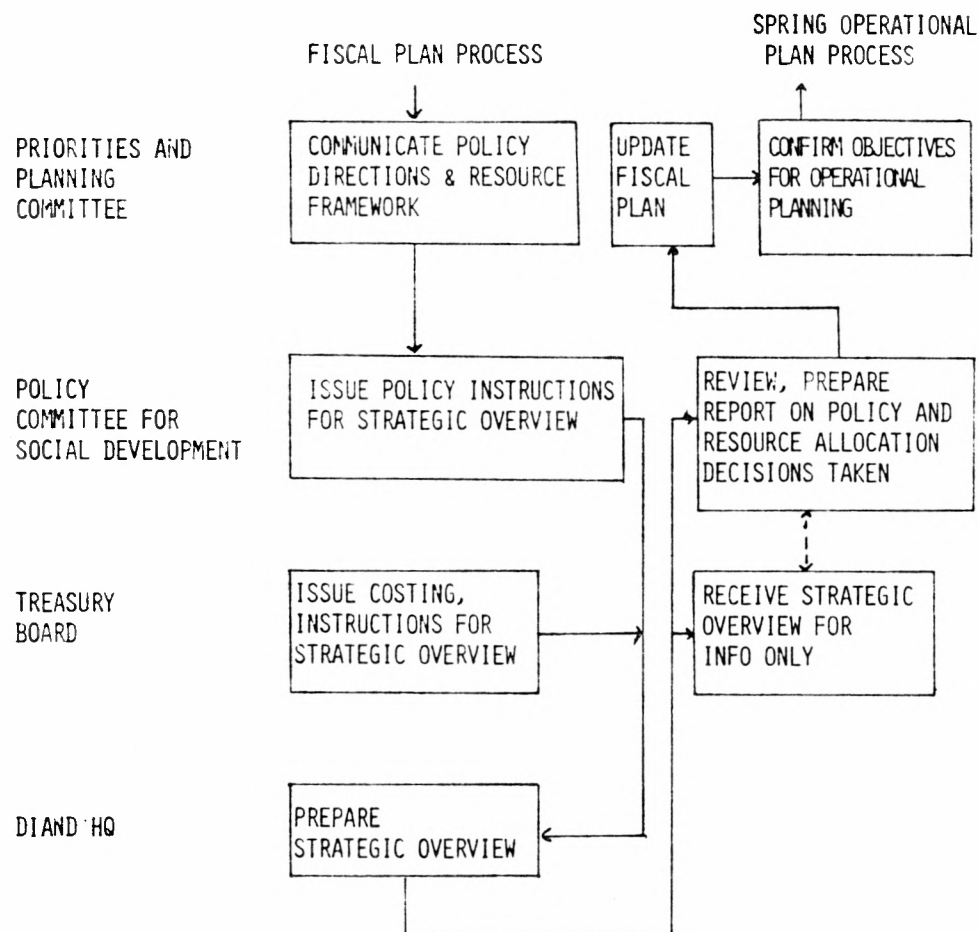
5. THE EXPENDITURE MANAGEMENT CYCLE

5.1 Cabinet Reviews and Extends Existing Fiscal Plan JUNE-SEPTEMBER (33-30 months before new year begins)

The Priorities and Planning Committee makes this review in the context of changes to fiscal outlooks and government objectives. The Fiscal Plan is extended for an additional year. Policy Committees are provided with direction on alternatives to be pursued and the existing framework and guidelines are revised. This involves a reconciliation, of the government's fiscal policy objectives and its other objectives - competing demands for resources.

B: STRATEGIC OVERVIEW

STRATEGIC OVERVIEW



SPAN

- COVERS 5 YEARS (CY, UY, PY1, PY2, PY3)

CONTENT

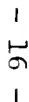
- FOCUS ON PROPOSED CHANGE
 - CHANGE IN POLICY
 - CHANGE IN PROGRAMS AND STRATEGIES
 - ASSOCIATED CHANGES IN RESOURCE ALLOCATION
- FOLLOW-UP PLANS TO PRIOR PROGRAM EVALUATIONS

TIMING

- SUBMITTED EVERY MARCH 31 FOR REVIEW BY POLICY SECTOR COMMITTEE
- REVISIONS MAY BE MADE AT ANY TIME DURING YEAR

REFERENCE

- 16 -



- 16 -

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D: FALL OPERATIONAL PLAN (FOP)

MAIN ESTIMATES (ME)

SPRING OPERATIONAL
PLAN PROCESS

PARLIAMENT

PRIORITIES &
PLANNING
COMMITTEE

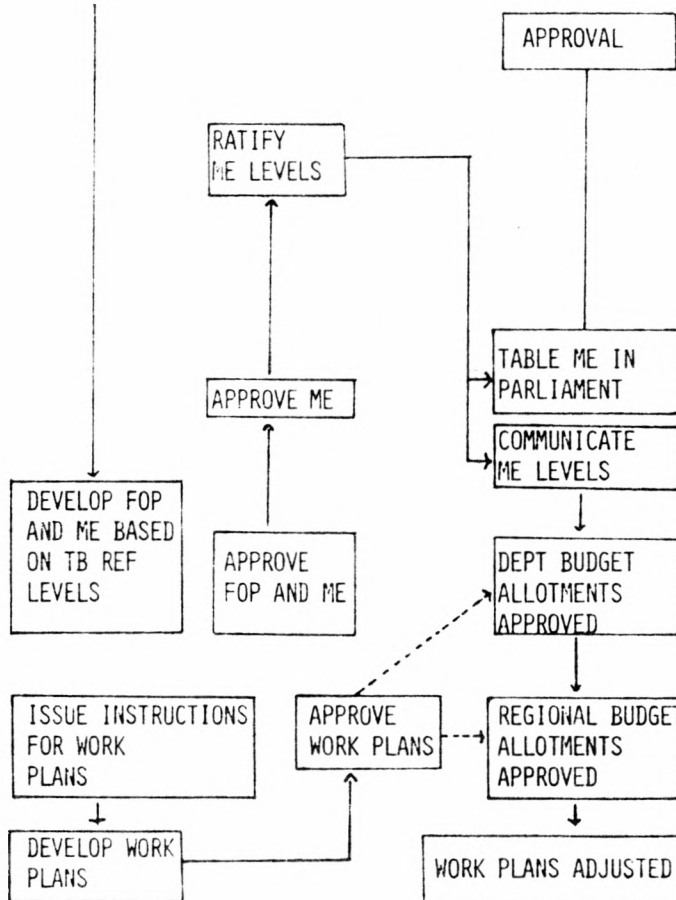
POLICY COMMITTEE
FOR SOCIAL
DEVELOPMENT

TREASURY
BOARD

DIAND HQ

DIAND REGIONS/
HQ BRANCHES

DIAND RCMS



FALL OPERATIONAL PLAN

SPAN

- 4 YEARS (CY, UY, PY1, PY2)

CONTENT

- UPDATED SPRING OPERATIONAL PLAN
- DETAILED MAIN ESTIMATES YEAR
- DETAILED EVALUATION PLAN

STRUCTURE

- FRAMEWORK FOR RCMS WORK PLANS

TIMING

- SUBMITTED EVERY OCTOBER 31 ALONG WITH MAIN ESTIMATES TO TREASURY BOARD
- REVISIONS SUBMITTED ALONG WITH SUPPLEMENTARY ESTIMATES DURING OCTOBER AND FEBRUARY

REFERENCE

REFERENCE

Variances between envelope ceilings and the cost of existing policies and programs indicate resources available for new initiatives or the minimum expenditure reductions required to the sector before savings are available to finance new initiatives. The Priorities and Planning Committee provides direction to each policy sector for the development of policies and programs within the approved expenditure plan. This is based on consideration of resource requirements, policy factors identified by Committee chairman and overall objectives and priorities. While the regular annual review and extension of the Fiscal Plan occurs during the June-September period each year, the economic and fiscal outlooks may be updated for consideration at any time warranted by circumstances.

5.2 Policy Committees Develop and Issue Strategic Planning Guidelines to Departments

SEPTEMBER-DECEMBER (30-27 months before new year begins)

Based on the revised Fiscal Plan and directions from Priorities and Planning, Policy Committees revise sectoral strategies and work plans and develop guidelines to departments for preparation of strategic overviews. Policy Committees may issue guidelines to departments at any time in directing policy and program development. Revisions to the Fiscal Plan may require adjustment to the strategies previously developed, and addition of the new planning-year 3 will require extension of the strategy to meet policy objectives within the resource envelopes for that year.

Policy Committees issue guidelines to departments identifying options that the Committee wishes to see explored in the Strategic Overview, and changes which may be required in departmental evaluation plans.

5.3 Treasury Board Issues Instructions on Preparation of Strategic Overviews

Treasury Board issues guidelines and technical instructions to all departments and agencies for the costing of program alternatives in Strategic Overviews. This information will include assumptions about the economic outlook to be used in costing alternatives in Strategic Overviews.

5.4 Final Preparation of Strategic Overviews

JANUARY-MARCH (26-24 months before new year begins)

Departments conclude preparation of Strategic Overviews following the guidelines provided by Policy Committees and the Treasury Board. This document is provided to the appropriate Policy Committee and the Treasury Board by the end of March.

REFERENCE

5.5 Strategic Overviews Reviewed by Policy Committee Secretariat APRIL-JUNE (23-21 months before new year begins)

Policy Committee secretariats review the Strategic Overviews with departments and agencies in the light of:

- . guidelines and directions provided by the Policy Committee;
- . overall priorities and strategy for the policy sector;
- . resources required for existing programs in approved Spring Operational Plans;
- . resources available within the policy sector envelopes;
- . results of program evaluations and departmental evaluation plans; and
- . inter-program implications within the Policy Committee to ensure that proposed changes are complementary.

Policy Committee secretariats prepare a report for the Committees on the Strategic Overviews, including an assessment of and recommendations on the alternative policy and program changes identified. These reports include an assessment of the resource implications of options for change in relation to the resources available in policy sector envelopes.

5.6 Strategic Overviews Reviewed by Policy Committees

Policy Committees review Strategic Overviews and assessment and revise these as required. These revisions include changes required to alter and extend the previously-approved strategy to cover the new planning-year 2, and to meet any new policy or resource requirements which have emerged for years covered by the previous strategy.

Policy Committees prepare reports to the Priorities and Planning Committee on the revised strategy for each policy sector. These are based on the review of strategic overviews and discussions within Priorities and Planning on the fiscal outlook and government priorities. These reports indicate how the strategies would pursue sectoral objectives and how the associated resources would be provided within the approved envelopes.

5.7 Cabinet Again Reviews and Extends the Fiscal Plan JUNE-SEPTEMBER (21-18 months before new year begins)

In the course of the annual Fiscal Plan review (see sub-section 5.1), Priorities and Planning confirms the expenditure planning figures for the upcoming year.

REFERENCE

5.8 Treasury Board Issues Instructions on Preparation of Operational Plans

SEPTEMBER-DECEMBER (18-15 months before new year begins)

Treasury Board issues guidelines and technical instructions to all departments and agencies for preparation of Spring Operational Plans due at the end of March. This will include assumptions about the economic outlook in adjusting costs in current Operational Plans and extending them for the new planning-year 3. (Overall procedural and scheduling information relating to the preparation and review of Operational Plans and Estimates is also being provided).

5.9 Final Preparation of Spring Operational Plans

JANUARY-MARCH (14-12 months before new year begins)

Departments conclude preparation of Spring Operational Plans following the guidelines provided by Policy Committees and the Treasury Board. These documents are provided to the appropriate Policy Committee and the Treasury Board by the end of March.

5.10 Spring Operational Plans Reviewed by Treasury Board Secretariat

APRIL-JUNE (11-9 months before new year begins)

The secretariat of the Treasury Board reviews the multi-year Operational Plans with departments and agencies to:

- . determine or update the level of resources required to carry out approved policies and programs in the upcoming year and planning years 1 and 2. The costs for the current year, the upcoming year and planning-year 1 are revisions of those in the approved Spring Operational Plan. The costs for planning-year 2 are being established for the first time;
- . examine program efficiency;
- . examine program design to ensure that the means of delivery are consistent with objectives and facilitate evaluation, and
- . ensure consistency with government management policies.

Upon completion of their review, the secretariat of the Treasury Board will advise departments and agencies and the Policy Committee secretariats of the recommendations to the Treasury Board on the level of resources required to carry out approved policies and programs through planning-year 2.

5.11 Spring Operational Plans Reviewed by Treasury Board

The Treasury Board reviews the Spring Operational Plans and the assessments of its secretariat and considers any appeals by individual Ministers of the secretariat's recommendations. The

REFERENCE

Board then approves reference levels for expenditure planning purposes, indicating the level of resources required to deliver approved policies and programs. These reference levels are reported to the Priorities and Planning Committee.

5.12 Treasury Board Issues Revised Spring Operational Planning Figures

In order to provide the benchmarks by which policy and program changes may be considered, Treasury Board informs departments and agencies and Policy Committees of the approved expenditure planning reference levels, the cost of delivering currently-approved policies and programs are included in the Treasury Board report to Priorities and Planning. These figures are subject to adjustment through Ministerial appeal to Cabinet.

These base figures are subsequently adjusted to reflect all changes approved by Policy Committees or technical adjustments approved by Treasury Board. For the upcoming year they represent the basis for Main Estimates, subject to subsequent Policy Committee and Treasury Board decisions. For planning years 1 and 2, they represent the revised and the initial Operational Planning figures, respectively, pending further Ministerial decisions.

5.13 Departments Prepare Main Estimates and Autumn Operational Plans JUNE-OCTOBER (9-8 months before new year begins)

Departments and agencies prepare their proposed Main Estimates and Fall Operational Plans for submission to the Treasury Board by the end of October. Technical instructions are provided in advance by the Treasury Board. These plans are based on the resource reference levels established by the Treasury Board in June adjusted for all subsequent Policy Committee and Treasury Board decisions. These documents are also provided for the information of Policy Committees.

5.14 Treasury Board Adjusts Planning Figures NOVEMBER-DECEMBER (5-4 months before new year begins)

In the process of reviewing Main Estimates for the upcoming year Treasury Board makes the related adjustments to the detailed expenditure planning figures within the established Fiscal Plan for all years.

5.15 Treasury Board Reviews and Approves Main Estimates and Autumn Operational Plans

The Treasury Board reviews Main Estimates proposals and the supporting Autumn Operational Plans of departments and agencies to ensure that:

- . they are consistent with approved departmental strategy and reflect approved changes;

REFERENCE

- . they are consistent with approved operational policies and practices of the government and Treasury Board;
- . cost estimates are accurate and that plans reflect the most efficient use of resources;
- . operational targets are realistic given previous performance and approved programs and policies;
- . the format for Estimates is consistent with the requirements of Parliament and that plans facilitate operational control and effectiveness evaluation; and
- . any significant change in approved resource levels for a program is noted by the appropriate Policy Committee so that changes to reduce costs can be approved if necessary.

Once approved by the Treasury Board and ratified by the Priorities and Planning Committee, Main Estimates levels are conveyed to departments and agencies, who adjust their Autumn Operational Plan accordingly.

5.16 Main Estimates Tabled in Parliament

FEBRUARY (1 month before new year begins)

The President of the Treasury Board tables the Main Estimates for the upcoming year in Parliament and outlines the details of the government's spending plans for the year.

5.17 Parliament Appropriates Interim Supply on Main Estimates

MARCH (immediately prior to the new year)

5.18 Parliament Appropriates Full Supply on Main Estimates

JUNE (3 months into new year)

5.19 First Regular Supplementary Estimates Reviewed and Tabled

OCTOBER-NOVEMBER (6-7 months into the new year)

Departments and agencies submit, by the beginning of October, Supplementary Estimates proposals along with associated revisions to Fall and Spring Operational Plans. These submissions reflect decisions of Policy Committees and the Treasury Board since the approval of Main Estimates the previous December.

Treasury Board reviews submissions as in Main Estimates review and approves them. The President of the Treasury Board tables the Supplementary Estimates in Parliament.

5.20 Parliament Appropriates Supply on Supplementary Estimates

DECEMBER (9 months into the new year)

REFERENCE

5.21 Final Regular Supplementary Estimates Reviewed and Approved JANUARY-MARCH (10-12 months into the new year)

Departments and agencies submit Final Supplementary Estimates proposals in February. Treasury Board reviews submissions as in First Supplementary Estimates review and approves them.

The President tables the Supplementaries in March in Parliament, which appropriates supply before the fiscal year ends.

5.22 Public Accounts Tabled OCTOBER (7 months after new year ends)

The Public Accounts are tabled in Parliament, providing a detailed accounting for the expenditure of public funds during the fiscal year.

REFERENCE

INDIAN AND INUIT AFFAIRS PLANNING SCHEDULE

ENVIRONMENTAL ASSESSMENT

<u>WHO</u>	<u>WHAT</u>	<u>WHEN</u> 81-82 and (82-83)	
Program Management Committee	Decides focus and broad content	June	(April)
Program Planning and Policy Co-ordination Directorate	Determines detailed data requirements and consultation priorities.	June	(April)
	Locates and assembles all data available at Headquarters	June	(April)
	Prepares and forwards requests to regions for inputs	June	(April)
Regions	Collect required data	June-July	(May-June)
	Conduct policy level consultations	June-July	(May-June)
	Forward inputs and comments to Headquarters.	July	(June)
Program Planning and Policy Co-ordination Directorate	Consolidates and assembles data and consultation inputs	August	(June)
	Summarizes and analyzes data and consultation inputs	August	(July)
	Prepares presentation to Executive Planning Committee as an introduction to goal setting	August	(July)

REFERENCE

INDIAN AND INUIT AFFAIRS PLANNING SCHEDULE

GOAL SETTING

<u>WHO</u>	<u>WHAT</u>	<u>WHEN</u> 81-82 and (82-83)	
Program Planning and Policy Co-ordination	Issues call for Regional Operating (functional) goals.	July	(July)
	Develops directional statement based on desired situation.	July	(May-June)
	Co-ordinates and submits environmental assessment and policy discussion	July-Aug.	(May-June)
	Provide inputs to environmental assessment and goal discussion	July-Aug.	(May-June)
Headquarters/ Regional Managers	Jointly determined purpose, nature and outputs of sub-activities.	July-Aug.	(July-Aug.)
	Develop Regional Operating (functional) goals for sub-activities.	July-Aug.	(July-Aug.)
Executive Planning Committee	Develops National Program Operational Goals	August	(July)
	Reviews and approves Regional Operating (functional) goals	August	(Aug.)
Assistant Deputy Minister	Develops and assigns Regional Operating Goals	September October	(Aug.)
Regions and Directorates	Develop Regional Operating Goals	September October	(Aug.)
	Review National Program Operational Goals with Indian people	September October	(Aug.)

REFERENCE

INDIAN AND INUIT AFFAIRS PLANNING SCHEDULE

PREPARATION OF INPUTS

<u>WHO</u>	<u>WHAT</u>	<u>WHEN</u> 81-82 and (82-83)	
Program Planning Committee	Determines and recommends guidelines for development of call package.	June	(April)
	Recommends resource guidelines	September	(July)
Program Planning and Policy Coordination	Prepares forms and instructions	May-Sept.	(Apr.-July)
	Assembles and issues call package	September	(July)
	Coordinates training and briefing	Sept.-Oct.	(July-Aug.)
Headquarters/ Regional Managers	Assess operational environments	September	(August)
	Conduct consultation	September	(August)
	Develop operating goals	October	(September)
	Develop strategies	November	(September)
	Allocate resources	November	(October)
	Prepare and forward plans and input	November	(November)
	Prepare inputs to autumn update	October	(October)

REFERENCE

INDIAN AND INUIT AFFAIRS PLANNING SCHEDULE

OPERATIONAL AND WORK PLANS

<u>WHO</u>	<u>WHAT</u>	<u>WHEN</u> 81-82 and (82-83)	
Headquarters Managers	Review regional inputs.	December	(December)
	Prepare functional strategies	December	(December)
Program Planning and Policy Coordination	Prepares National Program Operational Plan	January	(January)
	Prepares input to Departmental Spring Operational Plan	February	(February)
	Prepares and issues work planning instruments and instructions	February	(February)
Executive Planning Committee	Reviews and approves National Program Operational Plan and input to Spring Operational Plan	February	(February)
Headquarters/ Regional Manager	Prepare and submit work plans	February	(February)
		March	(March)

DISCUSSION GUIDE

DISCUSSION GUIDE

Discuss the following points in relation to your own experience and the previous reading.

1. **The major difference in goal-setting between the public and the private sector is the source of funding.** The private sector receives its funds from customer satisfaction, whereas, funds in the public sector are voted by one body and distributed and regulated by another to satisfy the uneven, formal and informal needs and desires of a third party. The process is scrutinized by the citizenship as a whole which is in turn divided into many interest groups, no two having the same priorities. The Department must satisfy the requirements of the central agencies in regards to the amount and use of funds while at the same time meeting client demands.
2. **Jurisdictional boundaries among levels of government, geographical boundaries and functional areas of responsibility are not always clear-cut.**

Example: The field of education, the Alberta/B.C. boundary, federal vs territorial responsibilities, I&I vs N.A. Program responsibilities in relation to Native Peoples.

3. **Continuity of goal results and process is difficult to maintain over time because of changes in direction and priorities.** This leads to the necessity of good documentation incorporating logical linkages and cross-overs. The rationale for change must form part of the Environmental Assessment and Strategic Overview exercises before assuming a role in the goal-setting process, the more drastic the change the greater the necessity for a good paper trail. The elimination of a goal would be an example of this. The changed role of the I&I Program from the caretaker to facilitator role is another example.
4. **Establishing priorities among a set of needs requires specialized knowledge and techniques, partial elimination of subjective judgement, appreciation of long-range political aims and funding capacity balanced against mounting client demands and national and international commitments.** Priorities must be set in context, not in isolation.

Example: Is reforestation more important than the production of oil, if one parcel of land is under consideration?

5. **Levels of goals are difficult to assess and establish in an organization if accountability cannot be clearly assigned or the higher level goals are not broad enough in scope, or excluding critical areas or too broad including irrelevant or inconsequential areas or set at an unattainable level.** The results would be the lowering of commitment, paralysis of action and concurrent personal discouragement.

DISCUSSION GUIDE

6. Setting too many goals confuses those responsible for implementation and wastes or dilutes the effectiveness of resources rather than concentrating resources in high impact areas.
7. Goals must be set for the whole of the organization e.g. administration, support services. These can be quantified for example by setting or maintaining standards, raising or lowering levels of service, response time.
8. It is not difficult to confuse means-to-an-end with the end itself. The decision as to the results desired should be made before the goal is enunciated. In order to do this the result desired must be the first statement.

Example: The issuance of departmental manuals might be a goal.
However, if the desired result is better informed employees, the issuance of departmental manuals would be a **strategy** among several.

9. The desired results of an imposed goal are difficult to achieve. Consultation, discussion, agreement and contract in the goal-setting process leads to commitment and ownership which results in higher levels of attainment of goals.

DISCUSSION GUIDE

GUIDE TO EFFECTIVE SMALL GROUP DISCUSSION

During your small group tasks encourage open and frank discussion by all team members. Some guidelines for effective discussion are:

1. ENCOURAGE FULL PARTICIPATION AND FREE DISCUSSION
2. ENSURE THAT EVERY ASPECT IS CONSIDERED
3. KEEP THE GROUP ON TRACK
4. KEEP THE ATMOSPHERE CONSTRUCTIVE
5. ENSURE THAT EACH CONTRIBUTION IS GIVEN FAIR CONSIDERATION
6. SUMMARIZE THE DISCUSSION
7. RECORD CONCLUSIONS AND AGREEMENTS

CREATING THE RIGHT CLIMATE

A key factor to successful group discussion is the creation of a feeling of trust and openness. This will provide the necessary security which is essential if participants are to contribute and discuss freely. The goal of the entire discussion group should be to create a climate in which:

1. each member feels he has a real opportunity to express his views;
2. the group makes an honest attempt to understand each contribution and relate it to the topic being discussed;
3. the group is 'emotionally mature' enough to seriously undertake the discussion and exploration;
4. a strong sense of cooperation and unity is experienced by participants.

The leader has much to do with creating the initial environment but very quickly, the mature group will begin to take on this responsibility themselves.

REFERENCE

MODULE TWO:

GOAL SETTING

LEARNING OBJECTIVE: AS A RESULT OF THIS MODULE PARTICIPANTS WILL BE ABLE TO FORMULATE GOALS, ACCORDING TO DEPARTMENTAL REQUIREMENTS AND CRITERIA, STATING OUTPUTS OR ACTIONS AND THEIR RELATIONSHIP TO PROGRAM GOALS AND MANDATE

- * Planning in the Department of Indian and Inuit Affairs must be sensitive to input from all levels of the organization. It must respond to government objectives and at the same time ensure that planning is rooted in planning at the Band level and inputs from national and regional political associations.
- * The Executive Planning Committee's (E.P.C.) objective is to integrate regional and national plans into a National Program Operational Plan that is visibly linked to the Departments Strategic Plan.
- * Weaknesses in last years National Program Operational Goals include:
 - Failure to adequately Link goals to the organization structure and specify accountability;
 - Failure to link goals to the financial structure and resource requirements
 - and
 - Ambiguities and contradictions in the meaning and structuring of goals.
- * The goals which are developed must be seen as part of a Goal Structure linked to all other goals as well as to Program Organizational and financial structures.
- * NO GOAL IS EVER DEVELOPED IN ISOLATION FROM ANOTHER GOAL STATEMENT
- * Therefore every goal must be seen as contributing to a higher end and must provide direction for deploying subordinate means.
- * It must define a strategy for achieving the program mandate and long term objectives.
- * It must provide direction for the deployment of resources
- * and it must define the basis for evaluation and performance measurement and accountability.
- * General guidelines are needed to ensure goals that are compatible with one another and consistent throughout the program.
- * Individual goal statements must clearly define results or contributions, and outputs.

REFERENCE

- * They must be assignable in their entirety to organizational units at appropriate levels.
- * They must be at consistent levels of generality or detail within any goal level.
- * In developing goals, the contents for each goal should ideally be developed in the following sequence and in accordance with the following requirements:
- * The Indian and Inuit Affairs Goals Structure consist of:
 - National Program Operational Goals which include:
 - Strategic Goals**, describe broad strategies and policies.
 - Program Goals**, describe the purpose of each planning element or each main activity.
 - and Regional/Directorate Operating Goals which include:
 - Functional Goals**, which describe the purpose of ongoing operations under key sub-activities on a national basis; and
 - Other Operating Goals**, are optional and may either describe specific goals assigned to one or more senior managers by the Assistant Deputy Minister in support of strategic or program goals; or specific initiatives and innovations to be undertaken within a Region or Directorate.
- * All Regional Operating Goals are therefore ultimately linked to Program Goals.

Results or contributions:

These describe the anticipated contribution to achievement of a higher level goal or goals. Results or contributions always refer to the expected impact of goal achievement.

Outputs:

These are in all cases the core or centre of goal content; outputs should always be identified as physical entities to be produced as a result of activity under a goal. Output definitions should be sufficiently precise that the output could be recognized from its description when it is actually produced. Output definitions should include the minimum content characteristics, and/or volumes which an output must meet in order for it to be acceptable; normally, these would be based on what is required of the output in order to effect the desired result or contribution and may be quantitative and/or qualitative.

REFERENCE

Accountability and measures:

Accountability refers to the identification of the organization or individual responsible for output production; roles refer to the nature of accountability and its limitation and describe the relationship between the accountable entity and related entities in relation to goal achievement. In some cases where parallel organizations play different roles in relation to a common output not reflected in a higher order goal, there may be a number of goals reflecting the same output but different roles. In these cases an attempt should be made to identify which goal encompasses primary accountability for the output and identify this in the goal statement.

- * The formulation of a goal statement as distinguished from goal content should be the culmination rather than the starting point of goal development. This will ensure that all content requirements are met and properly integrated.
- * There may be a number of goals reflecting the same output but different roles. In these cases an attempt should be made to identify which goal encompasses primary accountability for the output and identify this in the goal statement.

CASE STUDY

DEPARTMENT OF INDIAN AND NORTHERN AFFAIRS

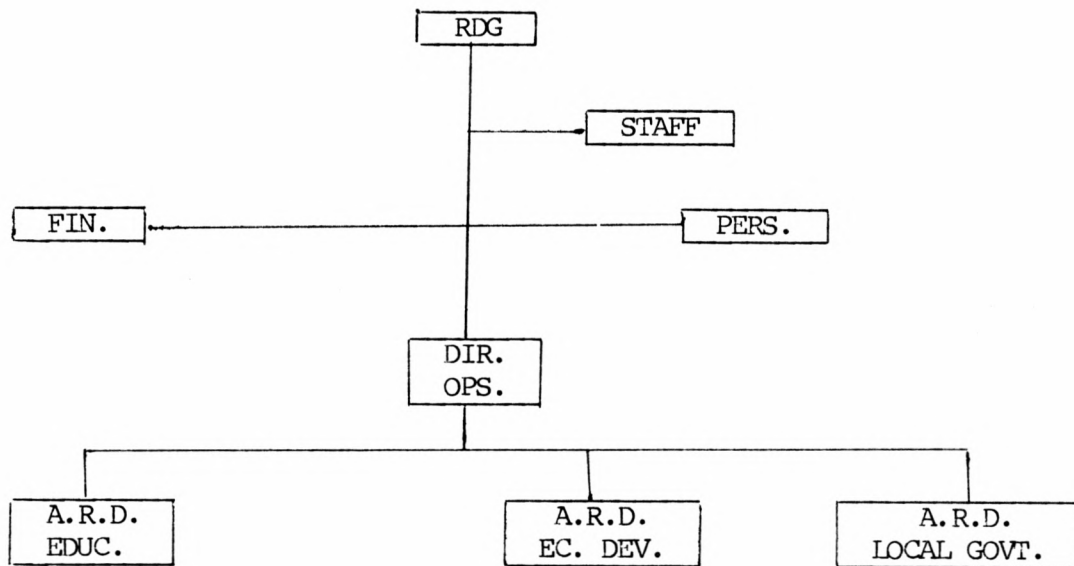
KEEWATIN REGIONAL OFFICE

A CASE STUDY

This is a fictionalized Case Study prepared to meet the requirements of the OPERATIONAL PLANNING TRAINING SESSION. It is not to be taken as a description of actual regional or district operations.

CASE STUDY

KEEWATIN REGIONAL STRUCTURE



PERSON-YEARS (81-82)

Local Gov't	1
Education	1
Ec. Dev.	7
Admin.	4
Reserves & Trust	1
<hr/>	
TOTAL	14

CASE STUDY

INDIAN AND INUIT AFFAIRS PROGRAM

DRAFT OVERALL GOALS

1. Clarify the jurisdiction, powers and effectiveness of Indian Band Government by:
 - 1.1 Establishing **enabling legislation** and an **administrative structure** for the implementation of an optional system of Indian Band Government;
 - 1.2 Ensuring that **program contents** and **delivery mechanisms** support the administrative options available to Indian Band Governments under the existing system while respecting Ministerial trust and statutory obligations.
2. Define and clarify jurisdictions, obligations and responsibilities respecting Indians by:
 - 2.1 Establishing **agreements** amongst Federal, Provincial, Territorial Governments and Bands which define and permit fulfillment of their respective responsibilities towards Indians;
 - 2.2 Establishing **mechanisms** to facilitate the access by Indians to Federal and Provincial programs, services and natural resources;
 - 2.3 Initiating or seeking a **policy** clarifying the respective roles, responsibilities and relationship of the various federal departments and agencies providing programs and services for Indians;
 - 2.4 Initiating or seeking **policy interpretation** which clarify the application of constitutional, statutory and judicial definitions of Federal obligations to Indians and which specify the demands of such definitions on the Program.
3. Resolve outstanding treaty entitlements and support the settlement of claims by:
 - 3.1 Establishing **agreements** which provide for the definition and fulfillment of outstanding treaty entitlements;
 - 3.2 Establishing **administrative mechanisms** for the implementation and review of claims settlements;
4. Increase Indian control over decisions and resources affecting Indian people and their communities by:
 - 4.1 Obtaining **authority** for the provision of resources and support to Indian initiated programs and activities;

CASE STUDY

- 4.2 Instituting **reforms** to program delivery mechanisms which will increase Program capacity to respond to a wider range of Indian initiatives in a more timely and accommodating manner and with increased levels of resources and support;
- 4.3 **Transferring administrative control** of existing programs to Indian institutions consistent with their desire and capacity and the requirements of Ministerial duties and obligations.
5. Increase the capacity of Indian people to plan and implement community based development initiatives by:
 - 5.1 Seeking the establishment of more **responsive and facilitative programs and delivery mechanisms** within the Federal Government and other institutions;
 - 5.2 Establishing **mechanisms** for the redeployment of Program resources to developmental purposes;
 - 5.3 Increasing the **capacity** of all programs to support the formation and operation of Indian institutions and activities directed at self development.

CASE STUDY

KEEWATIN REGION

ENVIRONMENTAL ASSESSMENT

BACKGROUND

The Keewatin Regional Office of Indian Affairs is unique in the Department. Situated in northern Canada the problems and issues facing the native population are quite different in complexion to those faced in other regions.

The following chronology traces the evolution of our operations:

- 1970 - Regional office closed and operations suspended.
- 1973 - Union of Keewatin Indians founded
 - Indian Affairs re-instated with a regional representative appointed to administer treaty payments.
- 1974 - An economic development officer appointed to the region to improve service to natives. This was done with support of the Union of Keewatin Indians.
 - Core funding program implemented to assist in developing Band Councils.
- 1977 - After consultation with U.K.I. and provincial government 2 commerce officers were appointed to the Region.
- 1978 - Education program re-instated to solve problems in working with provincial government - 1 officer appointed.
- 1979 - After considerable consultation with bands, provincial representatives and U.K.I. leadership, it was decided that bands would be best served by upgrading the regional operations.
- 1980 - Staff increased to the present complement.

CASE STUDY

REGIONAL STATISTICS

- Registered Indian population - 10,000
- 12 Bands, occupying 22 reserves which are represented on Band Councils by Chief and Council.

REGIONAL OFFICE

- 14 person/years in establishment - currently occupied by 12 staff
- Total budget \$2,600,000.00
- 61% of budget for direct transfer to Band Councils and Native groups as Contributions and Grants
- Activity budget detail as follows:

Education	350,000
Local Government	450,000
Administration	400,000
Economic Development	850,000
Reserves and Trust	550,000

DESCRIPTION OF OPERATIONS

ADMINISTRATION

- **FUNCTION** - To establish financial, administrative, personnel mechanisms to support planning and development.
- Provide Public Information Services
- Ensure that administrative services meet regional requirements
- Provide guidelines, training and direction to Band Staff and Union of Keewatin Indians organization to meet basic accounting principles and procedures

EDUCATION

- **FUNCTION** - to enable native involvement in the existing provincial education system
- Provide Contribution funds to the U.K.I. for Education Liaison program under terms of the National program.
- Provide cultural grants in accordance with National Guidelines for the program and local needs.
- Provide funds to individuals and associations for research, liaison and cultural activities.

LOCAL GOVERNMENT

- **FUNCTION** - to develop the financial and management skills of Indian leadership.
- Provide advice, assistance, training and consultation to bands and facilitating local government.
- Provide funding for administration and management of programs.
- To monitor the evolution of local government within the region.

CASE STUDY

RESERVES AND TRUSTS

- **FUNCTION** - to satisfy all treaty entitlements, maintain status membership records, and provide from estate management for native population.
- Verify, order and ship Treaty supplies.
- Annual Treaty Payment trip.
- Provide Triennial Clothing Allowances.
- Negotiate and monitor contracts with the Provincial Government.

ECONOMIC DEVELOPMENT

- **FUNCTION** - to assist Band Councils to organize resources and activities to play an increasing role in development.
- Band Economic Development Committee Program
- Encourage Band owned resource development Corporations.
- Provide business and management advice and assistance.
- To establish Band owned business operations.
- IEDF loan fund
- Unit serves as a resource to be utilized by Bands as desired to enhance their own development incentives.

PROBLEM AREAS

ADMINISTRATIVE:

- The Union of Keewatin Indians refusal to consult or join tripartite committees, poses a large administrative and political problem. Our Department is regarded with some degree of suspicion, and therefore held at arm's length, although some contact is maintained.
- 10 Band Councils in Keewatin hold their elections according to "Band Custom". In many instances, there are no rules - real or understood. Terms of office are often indeterminate, and Band members are sometimes very frustrated that some Band Councils simply don't have elections.

POLITICAL:

- The past two years has seen an intensive, unfortunate polarization of residents of the Region around the issues of Land Claims, the Brown Commission and Report, and the general philosophy of "development now" groups, versus the "moratorium until Land Claims are settled" group.
- The polarization has involved a high degree of emotion for many participants and onlookers to the debates. There is a tendency to identify the polarization as Indian (or Native) versus Non-Indian. This has involved some unhealthy social attitudes.
- This has heightened political interest and awareness to a very high pitch.

CASE STUDY

TRENDS

An increasing political awareness of involvement by the Indian people in provincial concerns.

- The U.K.I. is becoming increasingly vocal and critical of many Federal Government policies.
- People in the settlements seem to be expressing more interest and concern about provincial developments especially political evolution in the North.

Five of the Bands occupy more than one reserve. Some of the reserves are occupied but do not have a Band Council of their own. This has caused a serious inconvenience in some reserves. There is growing interest in having divisions of Bands, to form new Bands and Councils more reflective of the existing situation.

CASE STUDY

BUDGET (\$000's)

<u>OPERATION</u>	<u>PY</u>	<u>SALARIES</u>	<u>O & M</u>	<u>TOTAL</u>	<u>OUTPUT LEVEL</u>
Administration	4	200.0	200.0	400.0	5 publications 50 forms 100 training days
Education	1	50.0	300.0	350.0	15 arrangements 15 grants
Local Government	1	50.0	400.0	450.0	200 training days 10 arrangements 10 reviews
Reserves and Trusts	1	50.0	500.0		10 orders 10 Bands 10 allowances 20 contracts
Economic Development	7	350.0	500.0	850.0	10 committees 10 corporations 10 consulting days 10 businesses 10 loans

OPERATIONAL OUTPUT MEASURES

<u>OPERATION</u>	<u>OUTPUT UNITS</u>
Administration	publications forms processed training days
Education	arrangements grants
Local Government	training days contribution arrangements Band reviews
Reserves and Trusts	orders shipped allowances contracts paid
Economic Development	committees corporatives consulting days business loan processed

CASE STUDY

COST PROJECTION CHART

COSTING GUIDE (\$000's)

<u>OPERATION</u>	<u>SALARY COSTS</u>	<u>O & M UNIT COSTS</u>
Administration	50.0 per PY	10.0 per publication 1.0 per form 1.0 per training days
Education	50.0 per PY	10.0 per arrangement 10.0 per grant
Local Government	50.0 per PY	1.0 per training day 10.0 per arrangement 10.0 per review
Reserves and Trusts	50.0	10.0 per order 10.0 per Band 10.0 per allowance 10.0 per contract
Economic Development	50.0 per PY	10.0 per committee 10.0 per corporation 10.0 per consulting day 10.0 per business 10.0 per loans

NOTE:

If strategy calls for changing person year strength or output levels from those given in budget then cost is calculated by adding or subtracting cost per person year or unit to match new level.

GROUP TASK DESCRIPTION

During the remainder of this session you will participate as a member of a **MANAGEMENT TEAM** convened to establish goals and an implementation strategy for reaching those goals. This is a step-by-step process that **simulates** the actual goal setting process you will follow in your home operation. The steps you will follow are:

MODULE TWO: GOAL SETTING

- * TASK ONE: IDENTIFYING YOUR CONTRIBUTIONS TO HIGHER GOALS
- * TASK TWO: LISTING MAJOR ACTIONS AND OUTPUTS
- * TASK THREE: ESTABLISHING INDICATORS OF GOAL ACHIEVEMENT
- * TASK FOUR: FORMULATING THE GOAL STATEMENT

MODULE THREE: STRATEGY DEVELOPMENT

- * TASK ONE: SELECTING A STRATEGY
- * TASK TWO: IDENTIFYING SUB-GOALS AND ASSIGNING ACCOUNTABILITY
- * TASK THREE: COSTING THE STRATEGY
- * TASK FOUR: MONITORING AND CONTROLLING OPERATIONS

NOTE

The case study and tasks are aimed at developing generic skills. In order to emphasize this and to avoid the complexities inherent in the Indian and Inuit Affairs goal structure the terminology used in the case study has been reduced to the following:

- Goals of the Indian and Inuit Affairs Programs a whole = overall goals or higher goals
- Goals of the region as a whole = goals or regional goals
- Goals of units within the region = sub goals
- Results = desired in acts, effects or consequences of activity
and
= the desired changes in situation
- Outputs = the product being produced, this could be a good, service, payment or facility

NOTES

TASK

MODULE TWO: GOAL SETTING

TASK ONE: CONTRIBUTIONS TO HIGHER GOALS

PURPOSE: To explain how the effects the region's operations contribute to an **ACTION** or an **OUTPUT** needed to attain a goal. In other words to establish a 'causal link' between unit operations and program goals.

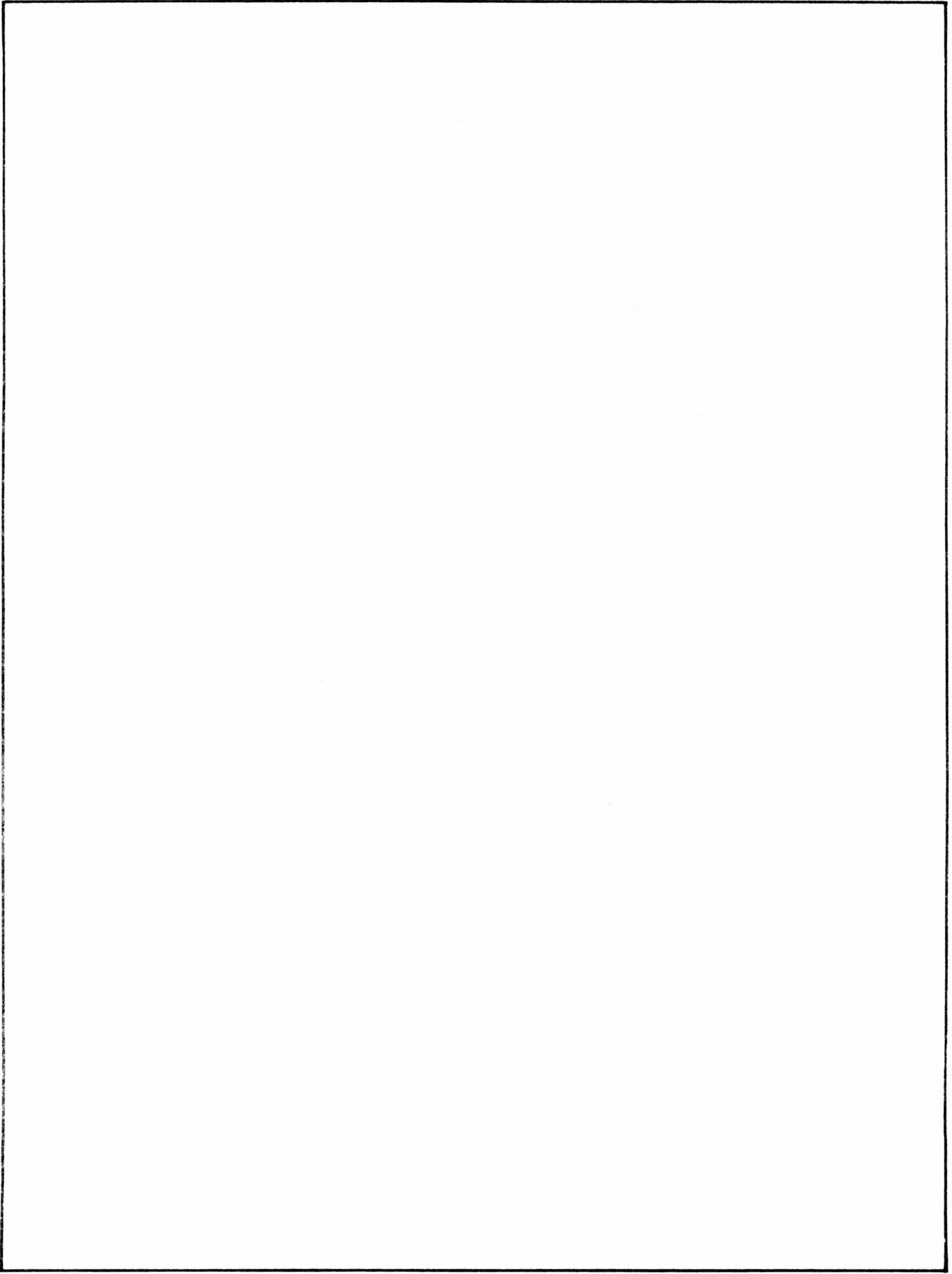
REFERENCE: 1) Draft overall goals from the case study.
2) Description of operations from the case study.

PROCESS: **DEVELOP AT LEAST THREE STATEMENTS DESCRIBING CONTRIBUTIONS YOUR UNIT COULD MAKE TO THE OVERALL GOALS OF THE ORGANIZATION.**

1. List the major actions or outputs required to reach each overall goal
2. List the major actions or outputs **OUTSIDE** the unit which are affected by the operations of the unit. For example: the National Intergovernmental Affairs function is affected by the contracts which the **RESERVES AND TRUSTS SUB-UNIT** negotiates with the provincial government.
 - * Note that the contracts are a result produced **OUTSIDE** of the unit through interaction with another organization.
 - * The nature of such results in turn affect the achievement of higher ends relating to federal-provincial relations.
3. Note those items which appear in **BOTH** lists.
4. From these items identify those which are **BOTH** important to the **OVERALL GOALS** and to the **OPERATIONS** of the unit. These are **KEY RESULTS AREAS**
5. For each **KEY RESULT AREA** explain how the effects of the units operations can contribute toward achievement of a program goal.
6. **RESTATE** the information from above step into **STATEMENTS** of contributions.
7. Record difficulties encountered and assumptions made when completing the task.

TIME LIMIT: 60 MINUTES

NOTES



CRITIQUE GUIDE

CRITIQUE GUIDE: TASK ONE

The statements of contributions:

- . Should describe the specific **OUTPUT** or **ACTION** involved in attaining an overall goal to which the contribution is made. If the statement describes contributions to the goal **AS A WHOLE** it is inappropriate.
- . Should describe the Region's contributions in terms of the **RESULTS** arising from it's actions and outputs.
- . Should avoid the use of such expressions as **contribute** to...participate in...coordinate...administer...examine...facilitate...arrange...analyze and other expressions which are often vague and non-descriptive.
- . Should usually describe all contribution involving more than one unit within region.
- . Study every word to ensure it is specific and clearly understandable.
- . **MAKE REVISIONS AS NECESSARY AND APPROPRIATE.**

NOTES



TASK

TASK ONE: APPLICATION

Consider your back-home operations. List below the contributions it could make toward **PROGRAM GOALS**. In the same manner as previously formulate a series of **CONTRIBUTION STATEMENTS** for your home operation

TIME: 15 MINUTES

NOTES

MODULE TWO: GOAL SETTING

TASK TWO: LISTING ACTIONS AND OUTPUTS

PURPOSE: To identify the **ACTIONS** or **OUTPUTS** for which the Region is responsible and through which it contributes to organizational goals.

REFERENCE: 1) Statements of Contribution from previous task
2) Description of operations from the case study.

PROCESS: BRAINSTORM THE OUTPUTS OR ACTIONS OF THE UNIT WHICH ARE NECESSARY TO MAKE EACH CONTRIBUTION FROM THE PREVIOUS TASK.

1. List the **EFFECTS** of the Region's operations which contribute to overall goals.
2. State the **MAJOR ACTIVITIES** of the Region which might produce the above **EFFECTS**.
3. **ELIMINATE** those **EFFECTS** for which no supporting activity or output can be found.
4. **ELIMINATE** those effects which are outside the Region's **MANDATE**. This means they are **INCONSISTENT** with senior managements view of the unit.
5. List the activities supporting each contribution beside the appropriate contribution statement.
6. Consider the following verbs when identifying actions or outputs. They are more precise than words like administer, participate, encourage, facilitate, and coordinate.

Adopt	Construct	*Improve	Purchase
Advise	Decide	Implement	Recommend
Announce	*Decrease	Install	*Reduce
Approve	Delegate	Issue	Represent
Assign	Deliver	Maintain	Revise
Authorise	Design	Organize	Schedule
Cancel	Draft	Originate	Select
Change	Establish	Outline	Start
Complete	Finalize	Plan	Submit
Contract	Formulate	Priorize	Supply
Control	Hire	Program	
	*Increase	Provide	

* These verbs to be meaningful need an indication of quantity
ex: to reduce x%

7. Record any difficulties encountered.

TIME LIMIT: 45 MINUTES

NOTES

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CRITIQUE GUIDE

CRITIQUE GUIDE: TASK TWO

- . Each list should clearly specify **ALL ACTIONS** required to make the desired contribution. Check to see if any actions have been overlooked.
- . Each action should be precise. Make sure there is no duplication or overlap.
- . Each item should clearly fall within the unit's mandate.
- . **MAKE ANY REVISIONS REQUIRED AS APPROPRIATE.**

NOTES



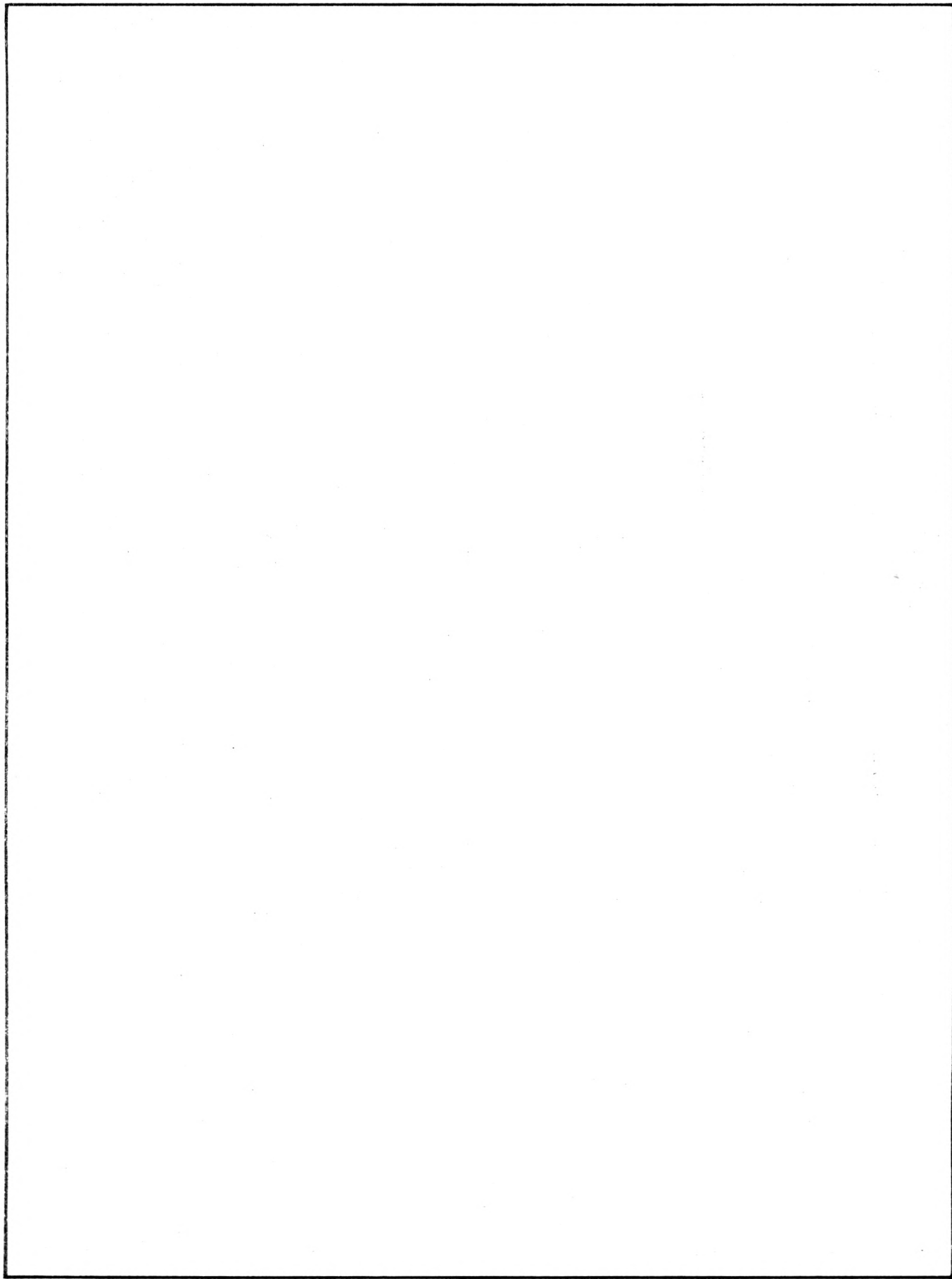
TASK

TASK TWO: APPLICATION

Take a few minutes to list those **specific and precise** actions or outputs for which your back-home unit is responsible. Refer to the **CONTRIBUTION STATEMENTS** you listed in **TASK ONE**.

TIME: 15 MINUTES

NOTES



MODULE TWO: GOAL SETTING

TASK THREE: INDICATORS OF GOAL ACHIEVEMENT

PURPOSE: To identify INDICATORS or MEASURES for assessing PERFORMANCE for each output or activity listed in TASK TWO.

REFERENCE:

- 1 Notes from TASKS 1 and 2
- 2 Description of operations from the case study.

PROCESS: STATE AT LEAST ONE MEASURE OF ACHIEVEMENT FOR EACH CONTRIBUTION AND FOR EACH OUTPUT OR ACTION FOR ANY ONE CONTRIBUTION.

- 1 Consider the NATURE of each contribution. Does it involve a change in an existing situation, an improvement?
- 2 Describe the contribution in terms of quality or quantity of outputs desired.
- 3 Establish INDICATORS of ACHIEVEMENT for each activity or output. These are the aspects which should be measured or assessed.
- 4 Ensure that the INDICATORS are MEASURABLE. Show the unit of measurement.
- 5 Record any difficulties encountered and assumptions made by your team in completing the task.

TIME LIMIT: 75 MINUTES

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CRITIQUE GUIDE

CRITIQUE GUIDE: TASK THREE

- . For each contribution, indicators or results should clearly specify
 - how many
 - how often
 - how quickly
 - how much
- . Ask "How can I know that I've been successful? What evidence do I look for to determine success?"
- . MAKE ANY REVISIONS REQUIRED AS APPROPRIATE.

NOTES

TASK

TASK THREE: APPLICATION

Identify measures of achievement for the contributions and activities you identified for your home unit.

TIME: 15 MINUTES

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MODULE TWO: GOAL SETTING

TASK FOUR: FORMULATING THE GOAL STATEMENT

PURPOSE: To include all the information generated in TASKS 1, 2, and 3 into a **GOAL STATEMENT** which describes the specific results sought by the unit to contribute to overall organizational goals and mandate.

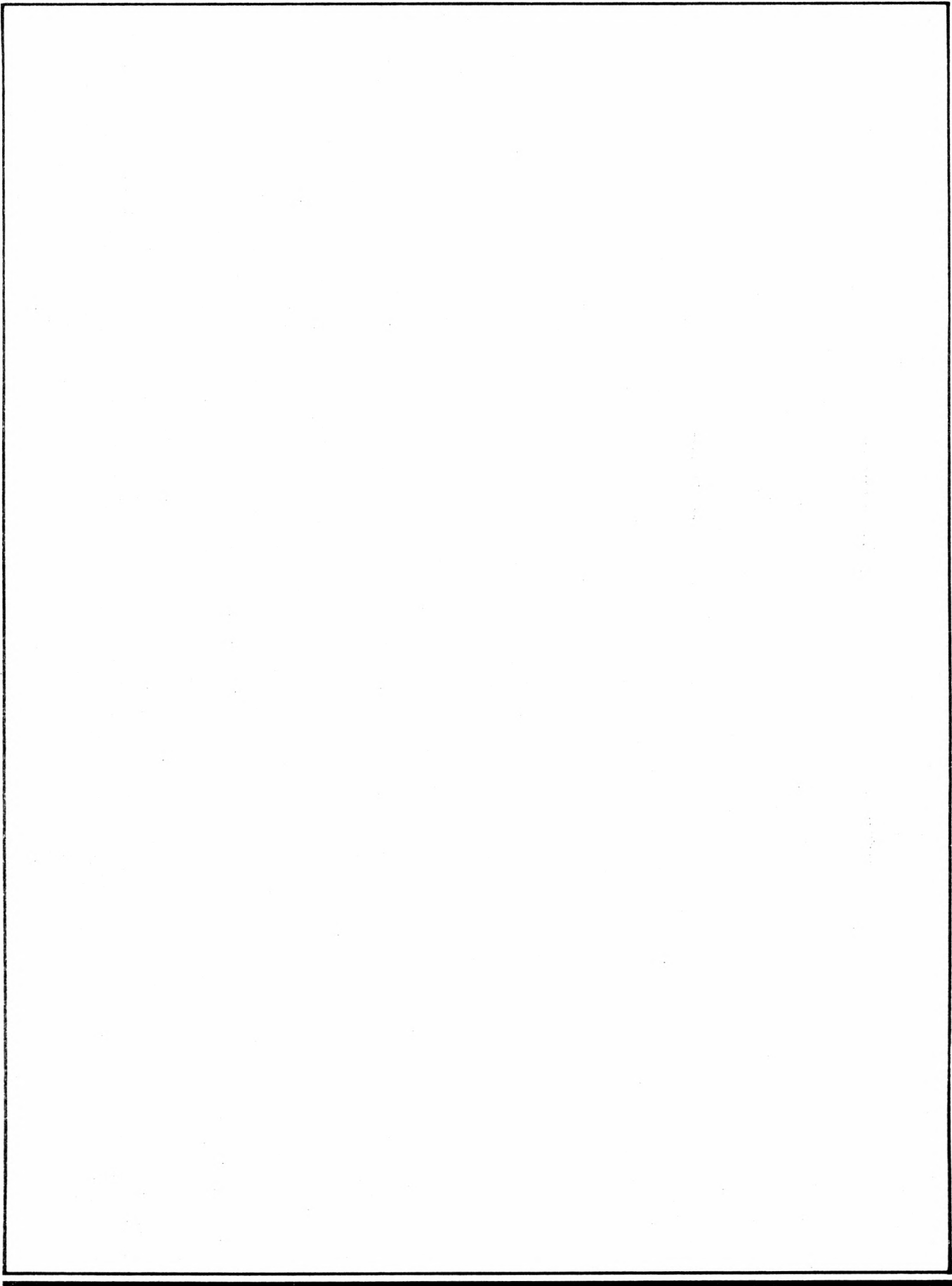
REFERENCE: All previous notes from Tasks 1, 2 and 3.

PROCESS: **FORMULATE A GOAL STATEMENT SHOWING THE RELATIONSHIP BETWEEN A CONTRIBUTION, ITS CORRESPONDING OUTPUTS AND ACTIVITIES, FOR WHICH THE UNIT COULD BE HELD ACCOUNTABLE.**

1. State the contribution from Task 1 as the **RESULT** you wish to achieve.
2. List the **ACTIONS OR OUTPUTS**, as **MEANS** by which the result above will be achieved.
3. Incorporate the **INDICATORS** of achievement for each of the above.
4. Restate into a goal statement that is specific and clearly understood. Do not feel restricted to only **ONE** statement.
5. Record any difficulties encountered as assumptions made by your team when completing this task.

TIME LIMIT: 30 MINUTES

NOTES



CRITIQUE GUIDE

CRITIQUE GUIDE: TASK FOUR

Use the following questions as a guide for the evaluation of goal statements:

- . Is the goal within the Program Mandate?
- . Is the goal statement constructed properly? Does it contribute to overall goals? Does it state outputs, indicators of achievement?
- . Is it measurable and verifiable? In other words, does it produce an observable output?
- . Can it be readily understood by those who must implement it?
- . Is the goal a realistic, appropriate and attainable one that still represents a significant challenge to the accountable manager and his or her organization?
- . Will the result, when achieved, justify the expenditure of time and resources required to achieve it?
- . Can the accountability for final results be clearly established?
- . Does it provide a basis for evaluation?
- . Does it "fit in" with government policy, priorities, mandate, central agency guidelines, environmental assessment, client needs, departmental philosophy and organization?
- . Does it provide a basis for planning operations?
- . Is the 'cause and effect relationship' clearly evident.
- . Is it written in terms of results that are measurable and observable in terms of time, quantity, quality, and other appropriate criteria?
- . Is the goal specific enough?
- . **MAKE ANY REVISIONS SUGGESTED AS APPROPRIATE.**

NOTES

TASK

TASK FOUR: APPLICATION

Formulate your own goal statement for your home operations and test it against the **CRITIQUE GUIDE** criteria.

Exchange you goal statement with someone else for analysis and revision.

TIME: 15 MINUTES

NOTES

MODULE TWO: OVERCOMING OBSTACLES TO GOAL SETTING

Consider the difficulties your group encountered in completing the previous series of tasks. Consider the assumptions made and the decisions required as you developed your goal statements.

Based on the above list the actions you could take to more effectively develop your goals. State these as DO...or DON'T....

TIME: 15 MINUTES

NOTES

REFERENCE

MODULE THREE: STRATEGY DEVELOPMENT

LEARNING OBJECTIVE: AS A RESULT OF THIS MODULE YOU WILL BE ABLE TO IDENTIFY ALTERNATE APPROACHES TO GOAL ACHIEVEMENT, CHOOSE THE MOST APPROPRIATE, IDENTIFY SUB-GOALS, COST AND ALLOCATE RESOURCES, MONITOR AND CONTROL OPERATIONS

- * The National Program Operational Plan contains major four sections. The first is assessment of the Operating Environment. This is an assessment of the milieu within which the program operates. It deals with current socio-economic conditions on reserves focusing on national and regional issues.
- * The National Environmental Assessment is also concerned with the internal environment, that is, the current operating conditions which hinder or help in the achievement of objectives, such as example shrinking resources and the implications this holds for goal achievement.
- * The National Program Operational Plan also contains a statement of the major Goals. Each goal should be prioritized and responsibility for achievement assigned to each.
- * A third portion of the N.P.O.P. gives a detailed description of the strategies that have been adopted to achieve the above goals and the relevant services that will be delivered.
- * Fourth there is included a summary of the costs to achieve the goals and finally there is a statement of future expectations and improvement initiatives to be undertaken in the years covered by the plan.
- * The series of tasks in Module Three will involve you in the process of strategy development, costing and resource allocation.
- * You will be required to identify alternate approaches to achieve the goal developed in Module two. You will next develop criteria and choose the best approach.
- * Criteria by which alternate strategies can be measured should consider things as
 - relative probability of success,
 - cost implications
 - time requirements - 1 year or more?
 - requirements for change resulting
 - organizational preference
 - effect on goal
 - and others

REFERENCE

- * It is possible to assess objectively each strategy and make the appropriate decision. The National Program Operating Plan includes information on alternative strategies and how decisions about the chosen strategy came to be made.
- * You will establish a series of subordinate goals and you will assign responsibility for each subordinate goal.
- * You will make a **preliminary cost estimate** for implementing your strategy. This will include costs, savings and net cost or saving for each major action as well as total costs or savings for the strategy.
- * You will be required to make some key management decisions regarding resource allocation, monitoring and controlling the operation.
- * Module three completes the goal structure and shows the linkage of individual outputs and services, Regional goals, Program goals, and the Program mandate. The relationship of goals to program mandate is crucial to the entire planning system.

MODULE THREE: STRATEGY DEVELOPMENT

TASK ONE: SELECTING A STRATEGY

PURPOSE: To identify alternate strategies to goal achievement and to select the best strategy according to criteria developed by the work group.

REFERENCE: 1. Task 4 notes.
2. Description of operations from the case study.

PROCESS: IDENTIFY AND DESCRIBE AT LEAST TWO ALTERNATE STRATEGIES FOR ACHIEVING ONE OF THE GOALS DEVELOPED IN MODULE TWO. DEVELOP CRITERIA AND SELECT THE PREFERRED STRATEGY.

1. List and discuss various means of goal achievement.
2. Outline at least two alternatives. List outputs and actions required to reach each goal.
3. Develop CRITERIA for choosing the best strategy. Include the following as appropriate.
 - i) Is the strategy appropriate given the existing situation and the future trends of the Department, the Program, the Region and the Bands?
 - ii) Is the strategy adequate? Does it go far enough toward achieving goals?
 - iii) Is the strategy effective in meeting the measures of achievement described in the goal statement?
 - iv) Is it the most efficient (cost vs. benefit)?
 - v) Are there any side effects which might result from the strategy?
 - vi) Consider cost, timing, probability of success and other requirements which might affect your choice.
4. Chose the best strategy according to your criteria.
5. Record difficulties encountered or assumptions made by your team when completing the task.

TIME LIMIT: 60 MINUTES

NOTES

CRITIQUE GUIDE

CRITIQUE GUIDE: TASK ONE

Your strategy selection should be based on criteria and justifiable on that basis. Document those strategies that were not selected for reference and contingency planning.

NOTES

TASK

TASK ONE: APPLICATION

For your back home goal statement list below alternative means to achieving it. Use your imagination - look for new solutions and innovations. Using the criteria developed during the previous task choose the best strategy.

TIME: 15 MINUTES

NOTES

MODULE THREE: STRATEGY DEVELOPMENT

TASK TWO: IDENTIFYING SUB-GOALS AND ASSIGNING ACCOUNTABILITY

PURPOSE: To establish subordinate goals which, when attained, result in the attainment of one of the overall unit goals.

REFERENCE:

1. Task 4 notes.
2. Organization structure from the case study.
3. Description of operations from the case study.

PROCESS: DEVELOP SUBORDINATE OR ENABLING GOALS WHICH LEAD TO THE ATTAINMENT OF A UNIT GOAL AND TO WHICH CAN BE ASSIGNED ACCOUNTABILITY.

1. Identify intermediate actions, outputs or products which when combined total the regional goal.
2. Translate each action, output or product into a goal statement that is measurable and observable, achievable, and specific.
3. Assign accountability for each sub-goal.
4. Record obstacles and assumptions made by your team when completing the task.

TIME LIMIT 60 MINUTES

NOTES

CRITIQUE GUIDE

CRITIQUE GUIDE: TASK TWO

- . Review the sub-goals to ensure that they are consistent with the unit goal.
- . Each sub-goal should be specific. Deal, where possible, with only one output, activity or product.
- . Each sub-goal should be measurable and observable.
- . There should be an obvious link between sub-goals and unit goals.
- . Is it verifiable - that is, can the results, when achieved, be verified?
- . **MAKE THE REQUIRED REVISIONS AS APPROPRIATE.**

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TASK TWO: APPLICATION

Determine sub-goals for the strategy you developed earlier and use the **CRITIQUE GUIDE** on the previous page to evaluate each sub-goal.

TIME: 15 MINUTES

NOTES

MODULE THREE: STRATEGY DEVELOPMENT

TASK THREE: COSTING THE STRATEGY

PURPOSE: To prepare a preliminary cost estimate for your strategy including **COSTS**, **SAVINGS** and **NET COST** or **SAVING** for each major activity, as well as **TOTAL COSTS** or **SAVINGS** for the strategy and its cost implications.

REFERENCE:

1. Notes from tasks 1 and 2.
2. Costing projection chart from the case study.
3. Budget from the case study.

PROCESS: **COMPLETE, COST AND AMEND THE STRATEGY CHOSEN PREVIOUSLY.**

1. Indicate all actions and outputs in the selected strategy that can be implemented through the operation of the unit as it presently exists.
2. For each of the remaining actions or outputs in the strategy determine what changes are required in personnel, output volumes, equipment or any other cost related factors.
3. Using the cost projection chart provided, determine the costs and/or savings for each action or output and arrive at a net cost or saving.
4. Identify whether any costs or savings will be entailed as a result of implementing the strategy and whether they will accrue to the region or to the organization as a whole.
5. Combine the budget and the net costs or savings for the strategy to arrive at a total strategy cost.
6. Add or subtract the value of any cost implication which will occur in the budgeting year.
7. Compare this new total to the original budgetary allotment and identify the net difference.
8. Determine ways of revising the strategy so that it will fall within budgetary limits and still attain the goal.
9. If the strategy cannot be revised so that it comes to within 10% of the budget figure, select another alternative from those reviewed in Task 06 that would probably be closer to the budget figure.
10. **RECORD DIFFICULTIES ENCOUNTERED AND ASSUMPTIONS MADE BY YOUR TEAM WHEN COMPLETING THE TASK.**

TIME LIMIT: 60 MINUTES

NOTES

CRITIQUE GUIDE

CRITIQUE GUIDE: TASK THREE

- . All costs or savings should be incremental to the basic cost of operating the unit at its current level.
- . Any cost currently included in the existing operation should not be included in the costing.
- . Does the cost implication arise after the strategies has been implemented?
- . Cost implications should **not** include the cost of implementing the strategy.
- . Costs and cost implications should **not** equate to the units budget.
- . If the costs or cost implications of the strategy are too close to the unit budget then they are probably incorrect.
- . An amended strategy is more desirable than argument for a better budget.
- . The final strategy must be within 10% of the budget figure.

NOTES

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MODULE THREE: STRATEGY DEVELOPMENT

TASK FOUR: MONITORING AND CONTROLLING OPERATIONS

PURPOSE: To outline a framework or procedure for monitoring and controlling operations in relation to goal achievement.

REFERENCE: 1. Notes from tasks one, two, and three.

PROCESS: DEVELOP A PROCEDURE FOR MONITORING THE OPERATION OF THE STRATEGY AND DETAIL AT LEAST ONE INSTRUMENT OR MECHANISM TO MEASURE ACHIEVEMENT OF EACH SUB GOAL AND UNIT GOAL.

1. Identify the information required to measure each of the sub goals developed in Task Two and compare it to the information available as described in the case study.
2. Review each sub-goal and decide how you would track progress towards its completion and how you would evaluate it after completion.
3. Identify the kinds of action open to you to improve progress or to change course for each goal.
4. Choose methods of controlling those goals that are both open to corrective action and susceptible to monitoring given the information available.
5. Record any difficulties encountered and assumptions made by your team when completing this task.

TIME LIMIT: 60 MINUTES

NOTES

CRITIQUE GUIDE

CRITIQUE GUIDE - TASK FOUR

Check your strategy against the following:

1. Is it in keeping with the departmental mission? Mandate?
2. Does it relate to our clients? In volume? In grants and needs? Geography?
3. Is this what our clients want rather than something else (trade-offs)?
4. Is it the best we can do with our resources? - (Product Mix)
5. Are there spill-over/multiplier effects? (Benefits/Costs)
6. Is this the best method of delivery? The right Methods?
7. Does it (they) support the operational goals/objectives?
8. Have you given thought to "what if" questions? (Contingencies)
9. Will the organizational structure support it? Or will it have to be changed?
10. Has the right priority been attached to it?
11. Can it be tied to work plans? Evaluation?
12. Will the indicators/milestones produce the information you want/need?
13. Have you a system to gather the information generated by the indicators? Is it relatively easy to gather?
14. Have you examined the impact in terms of the local situation - now and in the future?
15. Have you ensured a periodic review?
16. Does your staff know and understand what is expected of them?
17. Are you all committed to it?
18. Have you ensured a climate conducive to its achievement?

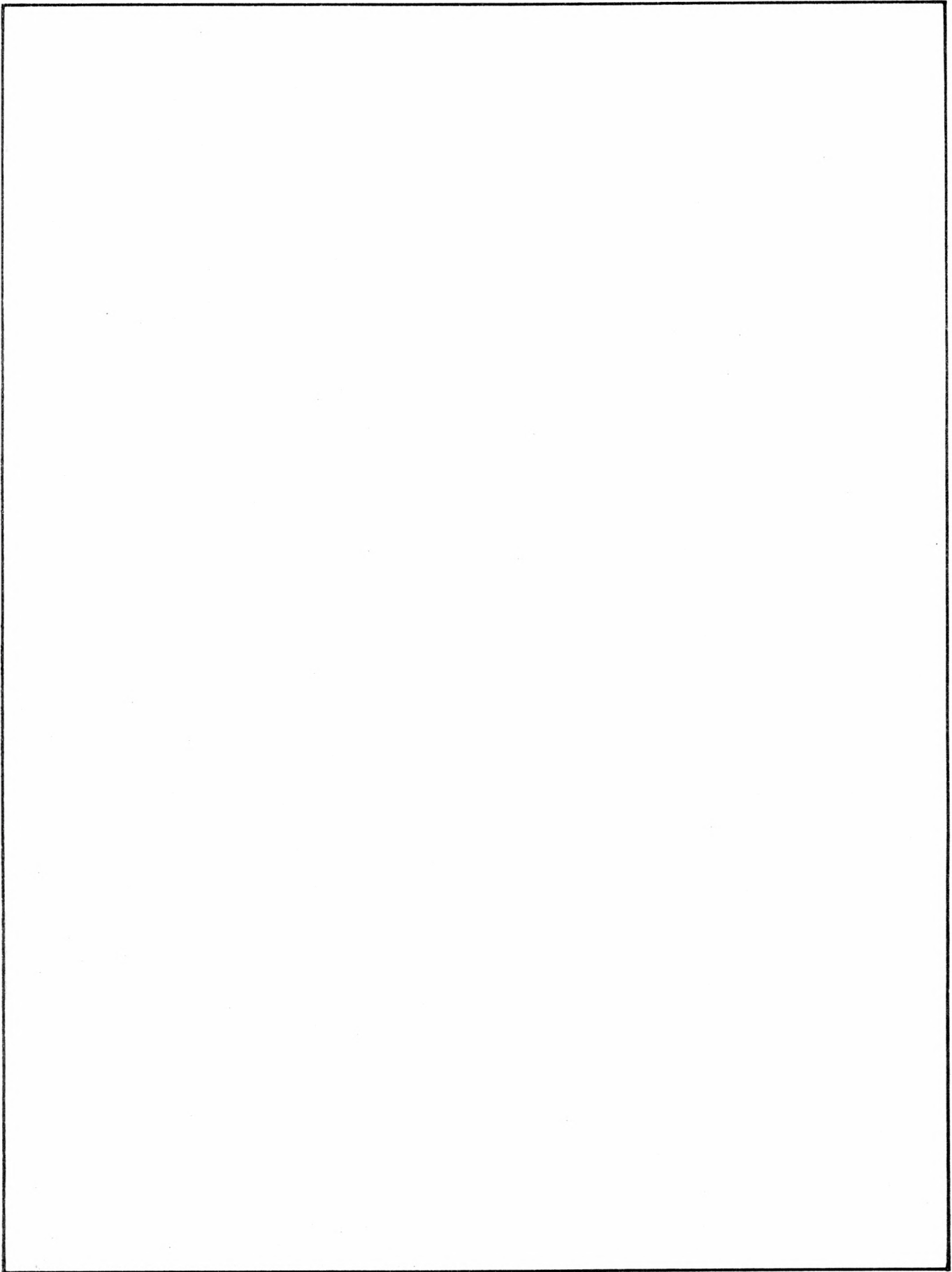
NOTES

STRATEGY CHECKLIST

Is it?

1. **Specific** - Does it state what you intended? Ambiguous?
2. **Measurable**/Observable/Verifiable - Will you know when it is finished/ended?
3. **Performance Oriented** - To achieve it will you do something?
4. **Realistic** - Do you have the money, personnel and time to achieve it?
5. **Relevant** - Does it answer a need/meet a requirement/is it wanted/does it relate to departmental - government objectives?
6. **Short Term** -

NOTES



EVALUATION

COURSE RATING

Rate each of the items listed below on a scale of 1 - 7 as shown:

A. COURSE DESIGN

Rate each of the following activities as a method of learning:

1. Reading with small group discussion (module one)

1	4	7
LEAST	AVERAGE	MOST

2. Case Study in Small Groups

1	4	7
LEAST	AVERAGE	MOST

3. Group Critique Sessions:

1	4	7
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4. Individual Work-Back Home Application

1	4	7
---	---	---

5. Lecturette w/ Overhead Transparency

1	4	7
---	---	---

6. Glossary Cards and Flipchart sheets on wall

1	4	7
---	---	---

7. Resource expert as consultant

1	4	7
---	---	---

B. COURSE MATERIALS

Rate each of the following according to the value you found in it during the session.

1	4	7
NONE	AVERAGE VALUE	EXCELLENT VALUE

1. Reading One " _____ "

1	4	7
---	---	---

EVALUATION

2. Discussion Guides

1 _____ 4 _____ 7

3. Task Descriptions

1 _____ 4 _____ 7

4. Critique Guides for Tasks

1 _____ 4 _____ 7

5. Reference points provided throughout the guide

1 _____ 4 _____ 7

6. Supplemental Readings included in guide

1 _____ 4 _____ 7

7. What other materials, not provided would you like to see?

C. THE TRAINER

Rate the performance of the trainer against the following criteria:

1 _____ 4 _____ 7
POOR AVERAGE EXCELLENT

1. Use of Voice

1 _____ 4 _____ 7

2. Clarity of Speech

1 _____ 4 _____ 7

3. Use of examples

1 _____ 4 _____ 7

4. Listening Skills

1 _____ 4 _____ 7

5. Paraphrasing

1 _____ 4 _____ 7

EVALUATION

6. Use of Questions

1 _____ 4 _____ 7

7. Use of Audio/Visual aids

1 _____ 4 _____ 7

8. Involvement with individuals

1 _____ 4 _____ 7

9. Patience

1 _____ 4 _____ 7

10. Keeping the group 'on-target'

1 _____ 4 _____ 7

11. Motivating the group

1 _____ 4 _____ 7

D. FACILITIES

Rate the following Support Services (as appropriate)

1 _____ 4 _____ 7
POOR AVERAGE EXCELLENT

1. Accommodation

1 _____ 4 _____ 7

2. Training room - table arrangement

1 _____ 4 _____ 7

3. Training room - air condition - ventilation

1 _____ 4 _____ 7

4. Training room - lighting

1 _____ 4 _____ 7

5. Coffee service

1 _____ 4 _____ 7

EVALUATION

6. Courtesy of staff (hotel, conference centre)

1 _____ 4 _____ 7

7. Washrooms

1 _____ 4 _____ 7

8. Comments: _____

NATIONAL ENVIRONMENTAL ASSESSMENT

(DRAFT- AUG/81 - SUBJECT TO REVISION)

1. MANDATE

1.1 Legislative

The primary source for the Program's formal mandate is the Indian Act. Under the Act, the Program's primary responsibilities are:

- administration of Indian lands and monies;
- provision of education to registered Indians;
- administration of Indian government provisions pertaining to elections by laws and referendums; and,
- administration of miscellaneous provisions relating to such matters as membership and estates.

A secondary source for the Program's mandate are the treaties which the Program is charged with administering. This entails the payment of annuities, settlement of outstanding land entitlements and requirements for economic and educational assistance. Provisions pertaining to health care are deemed to be fulfilled by programs delivered by the Medical Services Branch of National Health and Welfare.

One of the critical issues which the Program must address over the next few years is the expansion and complication of its mandate which now looms on the horizon. This will stem from two sources: first legislation enacted in the settlement of claims such as the Cree Act, and second, legislation enacted to supplement deficiencies in the Indian Act such as the Indian Band Government Legislation.

1.2 Operational

Although much of the Program's non-statutory activity in areas such as economic development could be interpreted as the fulfillment of treaty obligations the legal uncertainty surround these provisions has led to their being largely discounted. Instead, operational expansion of the Program's mandate into area such as social development, employment and economic development has been accomplished through a series of program and financial authorities. The informal statement of mandate expressed in the Program's "blue book" objective and sub-objectives summarizes these as follows:

"In keeping with the principles of self-development, access of opportunity, responsibility and joint participation within Canadian society, to assist and support Indians in achieving their cultural, educational, social and economic needs and aspirations, and finally to ensure that Canada's constitutional and statutory obligations and responsibilities to the Indian peoples are fulfilled."

1.3 Analysis

The major implication of the blue book objective and of the sub-objectives shown on the table at the end of this part in the wide span of diverse and disparate functions which the Program must perform. These include:

- acting as trustee in relation to Indian lands and monies and administrator of legislation;
- acting as a direct service agency for a wide range of physical, social and economic programs;
- acting as a developmental agency providing technical and fiscal advice and support in physical, social and economic development;
- acting as a funding agency in fiscal transfers to Indians; and
- acting as an advocate of Indian interests both within the Federal Government and with respect to foreign, provincial and local governments.

It is apparent that there are conflicts are between certain aspects of these roles and functions. In addition, they overlap with other Federal programs in areas such as economic development, housing and employment. In light of this, it would appear necessary to overhaul the Programs mandate and structure to rationalize and minimize conflicts and discrepancies among roles and functions. This should be undertaken on the basis of wider initiatives to establish a comprehensive federal policy and program structure for Indian and native affairs key features of this would include:

- a clear and comprehensive definition of Federal obligations, responsibilities and policy objectives;
- a more rational allocation of responsibilities and resources among federal agencies and programs;
- a creation of a mechanism for the coordination of the activity of various agencies in relation to Indian Affairs.

2. OBJECTIVES

2.1 Strategic Objectives

Within the content of the operational objectives discussed in the previous section the Department as part of its strategic planning process has initiated development of tentative strategic objectives and sub-objectives. The proposed overall strategic objective would paraphrase the operational quoted earlier and be along the following lines:

"Assist Indians to improve their economic and social conditions through increased self-government and economic self-reliance within the context of treaties, aboriginal rights and other federal obligations."

With this context two strategic sub-objectives are currently under consideration. The proposed sub-objectives would resemble the following:

- "The obligations of the Government of Canada towards Indians are defined and clarified by:
 - enabling legislation for Indian government at the band level established by 1982-83.
 - jurisdiction amongst federal, provincial and band governments clarified and new tripartite arrangements negotiated by 1986 to improve Indian access to services and programs appropriate to their needs."
 - outstanding treaty land entitlements resolved and settlement of claims supported.
 - discriminatory provisions in the Indian Act amended and approved.
- Mechanisms supporting Indian community-based development planning initiatives established including modified resourcing systems to enable:
 - the administration and management of an economic development thrust for native people.
 - the reorientation and enrichment of social development programs.
 - improved coordination of federal policies and programs as they affect Indian and Inuit people."

2.2 Desired Situation

Within the context of these objectives and with due consideration for the its capacities the Program must define for itself a medium range description of success. It is suggested that this definition must describe a realistically attainable set of conditions which would represent a medium term approximation of long term objectives. Given existing conditions and capacities this would not include major progress towards the improvement of Indian conditions. Instead, key features would be:

- an effective partnership involving federal departments, provincial governments and Indian institutions directed at the fulfillment of obligations and improvement of conditions;
- the widespread existence of representative, administrative, efficient and minimal self supporting Indian Band governments;
- the existence of self-sustaining Indian institutions with realistic plans and programs for the strengthening of Indian economic performance;
- the existence of numerous self-help agencies and programs among Indian people directed at the improvement of conditions.

3. RESULTS ASSESSMENT

3.1 General

Goals one through six in the 1981-1986 National Program Operational Plan describe major thrusts long pursued by the Program. As primary planning decisions, they must be periodically confirmed or revised to guide further planning. Such a review requires an assessment of both the Program's success in pursuing these thrusts and of the extent to which the desired results have been attained.

Information and evaluation activities are being coordinated in support of this process for the for 1982-1983 review. In this initial application, however, information and analysis in support of assessments are limited except in the case of goal six. In this case, three complete program evaluations have been used to support goal assessment.

3.2 First Goals

"Establish an enabling system for Indian self-government".

Key outputs such as an enabling statute or a suitable institutional framework have yet to be established. Therefore, review of this goal, or its successor, should be deferred to

1984-1985. By then, it is expected that legislation will be in place and results should begin to be discernible. In the interim, it can be concluded from progress reports to date that the goal remains attainable.

3.3 Second Goal

"Clarify the compatability of jurisdiction amongst federal, provincial and Band governments and the access by Indians to provincial programs, services and natural resources".

Attainment of this goal has been pursued through the negotiation and ratification of bilateral, tripartite and multi-partite agreements. The goal has been at least partially achieved in the sense that a number of such agreements have been concluded and, as is the case with James Bay, reviewed. However, the slowness of progress in many areas and the continual emergence of new issues add to the backlog of items which must be clarified. This suggests that, in the long term, this approach to goal attainment may not by itself be successful. Consideration of supplementary approaches such as greater reliance on constitutional and statutory routes or an active pursuit of court rulings through test cases and referrals may be advisable.

In addition the continuing high incidence of "qualified" Band audits portrays a certain negative image regarding progress in this area, one must question the adequacy of standard "financial" auditing techniques, alone, in assessing the capacity of overall Band administration and management.

3.4 Third Goal

"Resolve outstanding treaty land entitlements and support the settlement of claims".

Available information suggests that this goal is well underway towards attainment. This goal, however, is limited to the land related aspects of Federal obligations to Indians. Further, it does not address the Program's responsibilities in the implementation and administration of claims settlements. It would appear that there is a requirement to develop a more coordinated approach which would include all other obligations. This would ensure better coordination with efforts in land related matters. Failure to do this may result in conflicts among the disparate efforts in areas such as the provision of education and the management of trust monies. This in turn could jeopardize the desired result which is the Federal Government fulfillment of all legitimate obligations both present and future.

3.5 Fourth Goal

"Establish financial, administrative, personnel and joint mechanisms to support planning/development initiatives taken by Indians".

Progress towards attainment of this goal is well underway in terms of the scope of program transfers and the introduction of a planned approach to their management. However, certain basic factors indicate that the potential for further pursuit of this goal may be limited. These factors include:

- limited desire or capacity on the part of some Bands to assume control of further programs;
- insufficient financial support on the part of the Program for operations transferred to Indian control; and
- dissatisfaction of Indians with administrative burdens of Program controls on transferred operations, and the limitations on their decision making capacities.

Finally, progress towards this goal does not have appeared to have contributed significantly towards the desired results of reduced dependency and increased self-determination. Program transfers appear to have shifted dependency from direct services to funding and, in fact to have increased dependency. This is because local resources used for certain community purposes in some areas have come into disuse through the introduction of massive contribution funding. In addition, although control has increased, Indian communities still feel over-controlled. The relative increase in local control does not appear to justify the high costs of this approach. Management Improvement Project 6.1 has tentatively identified the current level of such incremental costs at about sixty to eighty million dollars for 1979/80.

3.6 Fifth Goal

"Establish a commitment to a community-based philosophy at all levels in the Department, Central Agencies and other departments as appropriate".

Given the difficulty in defining either the results expected or outputs involved in this goal, no valid assessment can be made. Replacement of this goal with a clearer statement pertaining to community development in a socio-economic sense should be considered.

3.7 Sixth Goal

"Provide incentive for the developmental use of resources".

Progress towards attainment of this goal continues to be blocked by two key factors. Firstly the rising volumes for basic or statutory services, combined with the complexities of resource justification, have reduced the levels of resources available for developmental efforts to less than five percent of the Program's budget. Given the wide number of communities affected, and the magnitude of effort required, this is clearly inadequate. The lack of basic improvements in social, economic and physical conditions among Indians is a clear indicator of the extent to which resources are inadequate.

Secondly, because of the Program's multiple roles Indians tend to focus on the Program as a resource or a source of benefits "by right". As a result, there is considerable difficulty in perceiving the Program's developmental role or acting in concert with it. In addition studies such as Dribben and Trudeau's 1976 report, "The Fort Hope Experience", indicate that developmental resources are deployed in such a way that they are themselves perceived as, and become, a type of benefit. This is particularly true of employment development, or job creation programs which tend to become another form of subsidy. Given these circumstances, the Program's mandate as a developmental agency should be reconsidered in terms of:

- the role of resources in the developmental process
- its compatability with other organizational roles
- the advisability of transferring this role and mandate to an agency more suitable than a government line department.

Finally, evaluations of such approaches as Bands Work Process which have been used to attain this goal indicate that they have had limited success in stimulating self-sustaining planning and development at the community level.

3.8 General

Effective planning for operational improvement requires an assessment of past performance in terms of effectiveness, efficiency and economy, that is, value for money. Performance assessment identifies operational strengths as well as areas requiring improvement. It does this through (a) the comparison of planned and actual performance and (b) the assessment of operations against operating standards or performance measures.

The current year is the first year of operation under an operational plan. Since the development of comprehensive performance measures will only commence this year, this assessment will be deferred to the next planning cycle. In the interim,

operational planning must provide for the development of systems which will support and providing monitoring, control and performance measurement.

4. RESOURCE ASSESSMENT

4.1 General

Three major resource management issues which have been identified in the review of operations during 1980-81 are:

- the problem of resource identification identified in the environmental assessment for the 1981-1986 edition of the national program operational plan. A number of remedies such as the upgrading and extension of data base have been set in motion, but the full impacts of these will not be realized for a year or two. In the interim, resource management decisions in priority activity areas must be supported as fully as possible. Other activities will be left in abeyance or reduced to token proportions, pending major adjustments to the Program resource base.
- the conflict between the Program's policy priorities, and its resource priorities. This has resulted in maintenance oriented activities consuming almost all Program resources, leaving little for policy priorities relating to development initiatives.
- the inadequacy of current manpower resources. This inadequacy stems from manpower reductions undertaken in the face of increasing manpower demands. These demands include administration of an ever increasing budget and management of programs; increased support requirements to Indians as a result of program transfers and the growth of management systems functions.

5. PERFORMANCE HIGHLIGHTS

5.1 General

It is presently possible to identify major aspects of previous years operations. However, the lack of support systems, as described in sub-section 2.1, precludes any analysis which would be useful for planning purposes. Current year initiatives which will facilitate this analysis during the next planning cycle include:

- the identification of operational highlights, derived from work plans based on the national program operational plan
- a system of management reports, focusing on those operational highlights

6. INDIAN SITUATION

6.1 Demographic

The major characteristics of the registered Indian population remain unchanged. First, there is the relative isolation, reflected in the fact that 65% of the population reside in rural or remote areas. Second, there is the dispersion into small communities averaging less than 500 persons. The third is the 61% of the population currently under age twenty-five. The implications of these factors for Program operations are:

- the necessity for delivering services to a widely dispersed and relatively inaccessible population with accompanying problems and delays arising from transportation and communication problems; and
- a combination of increasing demands on community resources and severe limitations, imposed by remoteness, on community potential.

In addition the present structure of the population indicates that the registered Indian population is following the same course of development as the general population but with a time lag of about fifteen years. The current structure closely resembles that of the general population in the mid-sixties and imposes similar demands on services and institutions to those experienced generally at that time.

6.2 Economic

Economic conditions among registered Indians remains behind those for the general population. In addition to the impact of demographic factors such as those noted above this situation is attributable to:

- the inadequacy of the economic potential of many Bands in relation to the population to be supported by the local economy;
- cultural factors such as attachments by the land which make off-reserve migration unacceptable to many Indians as well as reducing the chances of success for those who do migrate; and
- lower levels of educational attainment and employability than are prevalent among the general populations.

It is important to note that adverse economic conditions are both a cause and an effect of social conditions. They are cause in that reduced economic circumstances tend to underlie many social problems. They are an effect in that the consequences of adverse social conditions such as reduced levels of education tend to make economic improvement more difficult.

These factors indicate a need to address social and economic development simultaneously and in a more comprehensive manner taking into account:

- the need for coordination among federal programs
- the impact of such factors as migration and off-reserve economic success
- the requirement for combining diverse approaches and methods into single community strategies.

6.3 Social

Despite some improvement, particularly in educational attainment, social conditions also continue to lag behind those prevalent for the general population. Key factors include:

- a major pre-occupation with rights and obligations which diverts attention and resources from self-help initiatives
- heavy reliance on federal support and resources for most actual and potential developments
- low levels of economic success
- dependency and lack of control in many critical area of individual and community life.

A review of these factors clearly indicates that social conditions can only be improved through concerted efforts to fulfill obligations, improve economic conditions and foster individual and community independence. There are, however, two difficulties. The first, is that the Program is charged not only with the **improvement** of conditions but also with the **alleviation** of their effects. The conflicts between these two roles and the resultant strain on resources makes it impossible to address either of them effectively. The second is that the demands of the different actions required to improve conditions such as the fulfillment of obligations and fostering of independence tend to conflict and would be difficult for a single agency to pursue in concert.

6.4 Health and Physical Conditions

Health and physical conditions on Indian reserves also continue to be less than is generally acceptable. A key underlying factor is the limited resource of many reserves which prevent individual and communities from adequately fulfilling their own needs. This, combined with the current backlog of requirements and the limited rate at which facilities and services can be installed as well as the massive resource requirements to effectively improve conditions has effectively blocked any major progress in this area.

6.5 Political Conditions

Indian political structures continue to be active, vocal and effective. Despite this the Program has yet to form adequate working relationships with this group or to adequately manage its operations in the context of this existence.

7. ISSUES

7.1 Major Resource Developments

To date over a hundred major resource developments with impacts for Indian communities have been identified. The Program has increasingly become concurred with:

- mitigating the adverse social and ecological affects of such development upon Indian communities; and,
- ensuring that Indian people are equipped to effectively exploit the economic opportunities which such developments present.

Initially the Program has focused its efforts in two areas. The first ensuring Indian protection and access through agreements with the corporations, government and federal agencies involved in such developments. The second is to encourage the formation of and support the activities of Indian groups to deal with the impacts of major resource developments.

The primary difficulty with this approach is that it is rapidly becoming isolated from other Program activities despite Indian insistence that responses to major resources developments must be formulated as part of a total scheme of social, economic, physical and political development. In addition, despite the fact that activity in this area is still in its initial stages, resource requirements for the current year have already reached \$7.5 million and are expected to escalate to \$9.1 million in 1982-1983. This indicates a rising demand quickly exceeding the Program's capacity to respond.

7.2. Program Transfers

The process of program transfers has progressed to the point where approximately \$535.5 million or over 50% of the Program's current year budget has been projected for grants and contributions by the end of 1981-1982. Given that the bulk of this represents Program operations now transferred to Indian control, this indicates considerable progress with the process of program transfers. Unfortunately, a number of key factors continue to create difficulties. These include:

- the higher costs of band operated programs and the inability of the Program to transfer funds covering "hidden costs" such as personnel support not identified in operating budgets;
- the lack of effective and practical sanctions or remedies where Band operated programs encounter financial or administrative difficulties;
- the lack of flexibility to shift from Band operated programs to departmentally administered programs
- the mandatory nature of many of the programs under Band control which requires that the Department ensure that services are provided regardless of cost.

In addition, partially due to the responsive and politically sensitive nature of program transfers, the Program has yet to develop a means for comprehensively and effectively managing the process itself. Neither has it found a means of supporting, financing and controlling transferred programs.

8. NATIONAL CONDITIONS

8.1 Federal Environment

The diversification of federal programs directed at Indians among federal departments and agencies continues to persist. The resultant demands for interprogram, interdepartmental and intergovernmental coordination and communications continue to create difficulties for the effective delivery of programs in areas such as economic development. In addition the loss of the Program's intergovernmental affairs unit at headquarters has reduced the Program's capacity in this area to some degree.

Other major areas impacting on the Program continue to be:

- claims policy and the implications for an extended and more complex Program mandate through the enactment of claims settlements as well as additional functions in the implementation and administration of such settlements; and
- northern government policy and its potential effects on the service requirements in northern areas and treaty or claims settlements.

8.2 External Situation

Provincial policies and developments have implications for Program operations in the following areas:

- settlement of outstanding treaty land entitlements;

- extension of Provincial services to Indians living off reserve;
- the number of Indian children in care and Indian control of related decisions; and
- the mitigation and exploitation of major resource developments in favour of Indians.

Progress has been slow and success mixed in these areas. It would appear that more legislative and program initiatives would alleviate some of the major operational problems which will persist till all issues are resolved.

National trends affecting Program operations include:

- the shift of economic activity to Western Canada and the subsequent requirement to focus economic development efforts to ensure Indians can exploit the resulting opportunities;
- the emergence of significant Indian populations in urban centres, particularly in Western Canada and the resultant social and economic problems;

9. OPERATING CONDITIONS

9.1 Policies and Authorities

The Program is currently in the process of consolidating, extending and, where necessary revising policy in a number of key areas. This has included the production of major policy documents in such areas as housing, economic development, Indian Government and District Councils. In addition other major policy documents in areas such as education are now under development. Assuming that these various initiatives will be incorporated into the policy consolidation being undertaken at the Departmental level; it would appear that the Program would be in the position of possessing a comprehensive and consolidated policy structure early in the upcoming fiscal year. At that time, a key priority will be to assess the implications of this structure and its constituent policies in terms of organization, programming and operations. In the interim the Program must develop mechanisms for recording, communicating and reviewing policies and policy decisions in a comprehensive and coordinated manner. A second key requirement in this area is to ensure that the Program policy structure becomes the basis for an overall federal "Indian policy" a key feature which would be a clearer and more effective alignment of responsibilities among federal departments and agencies.

9.2 Organization

Organizationally, the Program faces a serious dilemma. On the one hand, a series of rapid and sweeping organizational changes from 1967 to 1980 have lowered morale, disrupted operational structures and eliminated essential continuity in many key areas. On the other hand the current structure possesses a number of deficiency and is inappropriate in many ways.

There are two ways of resolving this dilemma. The first is to orient initial thinking away from the Program's structural requirement towards resolution of problems pertaining to Program's role in a total federal approach to Indian Affairs. This would delay the necessity for addressing the Program's structure developed. The second is to adopt a more gradual approach to organizational development than that used in the past. This would call for the development of an organizational development plan in the first year of the planning period and implementation of such a plan over the remaining four years.

9.3 Operational Systems

The difficulties in relation to the discontinuity of operational systems identified in the 1981-1986 edition of the national program operational plan continue to persist and a plan of action is required to ensure that a complete and consistent structure of operational and program delivery systems will emerge over time. In addition, the Program must address the problems arising from its diverse roles in its structuring operations. As identified in the 1981-1986 operational plan most program areas involved at least four delivery modes these being direct service, advice and support, funding and communication/facilitation. At present, the Program is attempting to deliver in all four modes using one delivery structure for each program area. This is clearly inappropriate and must be addressed in planning for the further development of operational systems.

9.4 Resources

The difficulty with the shrinkage of resources available for developmental use identified in the 1981-1986 operational plan continues to accelerate. It is hoped that current initiatives in planning, resource justification and management improvement will allow the Program to more effectively present its case for resource requirements. In addition, some relief may be expected through the approval of additional resources associated with major policy initiatives. In the interim however, the Program continue to face demands for in excess of its capacity. A consistent and well planned program for the reduction or elimination of minor or ineffective services and programs should be considered.

10. INDIAN CONDITIONS

10.1 Demographic

The current structure of the Indian population indicates that current conditions will be exacerbated over the next five years as the large under twenty-five population emerges to demand additional facilities and services. This will result in higher unemployment levels, increased off reserve migration and rapid increases in requirement for education, housing, capital facilities and social assistance payments. One consideration in planning to meet these needs must be the indentation in the population period below the fifteen to twenty-five age group. This indicates that these steeply rising demands will be curtailed sharply starting with a steep downturn in requirements for educational facilities in the early 1990s. The Program must plan to meet rapidly expanding needs in such a way as to enable a phase and orderly reduction of service levels in some areas corresponding to reductions in demand.

10.2 General Conditions

Given the underlying factors and the current status of Program capacities described for the existing situation it is assumed that Indian conditions will not change significantly over the planning period. Even if massive development efforts were mounted immediately the inertia of the social, economic and cultural factors described previously would delay the emergence of major visible effects for at least one or two decades.

One mitigating factor will be the effects of major claims settlements and settlement of outstanding treaty land entitlement. The resulting extension of the resource base and income for many Indian communities should contribute to economic improvement in the affected areas. However, past experience would indicate that real impacts will only be achieved if the distribution of wealth includes a balanced flow between community institutions and among individuals within communities. In addition the management of resources must be carefully planned and executed in order to maximize long term benefits.

Another key aspect of Indian conditions over the planning period will be the emergence of social crisis among urban Indian populations particularly in major western cities. Given the political and social implications of widespread and potentially violent unrest planning should consider the need for reviewing policies and programs to avert or deal with these potential crisis.

11. PROJECTED ISSUES

11.1 Program Transfers

As indicated in the results assessment for goal four in the the National Program Operational Plan it would appear that Program transfers can be expected to level off over the planning period. As demands for goods and services increase and Program service capacities stabilize or shrink it can be expected that Indian priorities will shift from control of programs to the level of program delivery. Program initiatives in relation to community planning will accelerate this by allowing communities to perceive the widening gap between their requirement and their own or the governments capacity to meet these requirements.

Although the value of program transfers can be expected to increase in inflated dollars the real dollars should level off or decrease marginally. Similarly planned extensions of Program transfers over the next few years may be affected by unexpected reversions of services to Program control as Bands determine that they can no longer deliver services at adequate levels within ever tighter resource restriction.

11.2 Major Resource Developments

Current difficulties connected with energy policy and the position of the Canadian dollar may delay or curtail several major resource development projects over the next few years. This will hopefully ease some of the pressure for responses and support to a rapidly increasing number of Indian initiatives. Any breathing space provided by such delays should be utilized to establish a firmer set of plans and programs for action in this area. A priority should be the formulation and implementation of a joint strategy with other federal departments with potential involvements in this area such as the Department of Regional Economic Expansion and Employment and Immigration Canada.

12. PROJECTED NATIONAL CONDITIONS

12.1 General

Current trends identified under the description of the existing situation in Part 3 are expected to continue over the planning period. Of key concern are the following:

- an expanded number of finalized claims settlements
- continued adverse economic conditions over the planning period
- continued uncertainty in terms of Federal-Provincial or tripartite issues pertaining to Indian Affairs

13. PROJECTED OPERATING CONDITIONS

13.1 Policies and Authorities

The expansion of the legislative underpinning for the Program discussed earlier will require that the Program plan to restructure its policies and authorities. A key aspect of this will be the need for reallocation of responsibilities within the Federal government as a whole. In addition, the program should re-evaluate its operational authorities in terms of its capacities with a view to restricting its range of programs to its delivery capacities.

13.2 Operational

The evolution of the Program organization will probably be affected most strongly by the following factors:

- requirements for tighter control and accompanying reductions in managerial discretion resulting in greater standardization among regional structure and between regions and headquarters;
- increasing requirements for communication and cooperations with institutions outside the Program create the need for a clearly defined sub-structure within the program to address negotiation, implementation and administration of multi-institutional undertakings and agreements;
- a reduction in Program capacities relative to rising requirements which would require that certain functional streams be deleted from the organization;
- increased emphasis on functions such as funding, administration and training and advice as opposed to program areas such as education and social development which could lead to either a change to the structure or the introduction of sub-structures within Program areas.

13.3 Operational Systems

The key factors affecting operational systems will be the same as those described previously in relation to organizational development. As a result the evolution of such systems will tend to parallel organizational changes particularly as functional directions is expected to become much stronger within the program. One major benefit should be a much closer correspondence between program delivery structures and organizational structures.

13.4 Resources

As stated in the 1981-1986 edition of the National Program Operational Plan no significant change to the Program's resource base can be expected in the immediate future. However, two factors are expected to result in improvement by 1984-1985; these are:

- a major adjustment of resource levels as the effects of improved management systems and more reliable budget substantiation mechanisms begin to have effect and
- adjustment of the range of program services available in accordance with current capacities.

How Effective Is Your Strategic Planning System?

	Not Effective (No)	Very Effective (Yes)
A. Overall Managerial Perceived Value		
1. The chief executive officer believes the system helps him or her to discharge better his or her responsibilities.	<input type="checkbox"/>	<input type="checkbox"/>
2. Other major line managers think the system is useful to them.	<input type="checkbox"/>	<input type="checkbox"/>
3. Overall, the benefits of strategic planning are perceived to be greater than the costs by most managers.	<input type="checkbox"/>	<input type="checkbox"/>
4. Are major changes needed in our strategic planning system?	<input type="checkbox"/>	<input type="checkbox"/>
B. Does Our Strategic Planning System Produce the "Right" Substantive Answers and Results?		
5. Developing basic company missions and lines of business.	<input type="checkbox"/>	<input type="checkbox"/>
6. Foreseeing future major opportunities.	<input type="checkbox"/>	<input type="checkbox"/>
7. Foreseeing future major threats.	<input type="checkbox"/>	<input type="checkbox"/>
8. Properly appraising company strengths.	<input type="checkbox"/>	<input type="checkbox"/>
9. Properly appraising company weaknesses.	<input type="checkbox"/>	<input type="checkbox"/>
10. Developing realistic current information about competitors.	<input type="checkbox"/>	<input type="checkbox"/>
11. Clarifying priorities.	<input type="checkbox"/>	<input type="checkbox"/>
12. Developing useful long-range objectives.	<input type="checkbox"/>	<input type="checkbox"/>
13. Developing useful long-range program strategies.	<input type="checkbox"/>	<input type="checkbox"/>
14. Developing creditable medium- and short-range plans to implement strategies so as to achieve goals.	<input type="checkbox"/>	<input type="checkbox"/>

George A. Steiner, *Strategic Planning: What Every Manager Must Know*, New York: The Free Press, 1979

	Not Effective (No)	Very Effective (Yes)
15. Preventing unpleasant surprises.	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	
16. Our major financial indicators have been better after introducing planning than before:		
Sales	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	
Profits	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	
Return on investment	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	
Earnings per share	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	
17. Our company performance has been better than others in our industry not doing comprehensive managerial planning.	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	
<i>C. Does Our Planning System Yield Valuable Ancillary Benefits?</i>		
18. The system has improved the quality of management.	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	
19. The system is a unifying, coordinating force in company operations.	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	
20. The system facilitates communications and collaboration throughout the company.	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	
<i>D. The Design of the Planning System</i>		
21. Top management has accepted the idea that strategic planning is its major responsibility.	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	
22. Our system fits the management style of our company.	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	
23. The system fits the reality of our strategic decisionmaking processes.	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	
24. The corporate planner is situated close to the top management of the company.	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	
25. The corporate planner works well with the top management.	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	
26. The corporate planner works well with other line managers and staff.	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	
27. The planning committee structure is just right for us.	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	

	Not Effective (No)	Very Effective (Yes)
<i>E. Are the Planning Processes Effective?</i>		
28. Top management spends an appropriate amount of time on strategic planning.	<input type="checkbox"/>	<input type="checkbox"/>
29. There is too much foot-dragging about planning. It is given lip service but too many line managers really do not accept it.	<input type="checkbox"/>	<input type="checkbox"/>
30. Line managers generally spend an appropriate amount of time with other line managers and/or staff in developing strategic plans.	<input type="checkbox"/>	<input type="checkbox"/>
31. The system proceeds on the basis of an acceptable set of procedures.	<input type="checkbox"/>	<input type="checkbox"/>
32. The planning procedures are well understood in the company.	<input type="checkbox"/>	<input type="checkbox"/>
33. The work requirement to complete the plans is acceptable to our managers and staff.	<input type="checkbox"/>	<input type="checkbox"/>
34. The process is effective in inducing in-depth thinking.	<input type="checkbox"/>	<input type="checkbox"/>
35. Too much attention is paid to putting numbers in boxes. The process is too proceduralized, too routine, too inflexible.	<input type="checkbox"/>	<input type="checkbox"/>
36. New ideas are generally welcomed.	<input type="checkbox"/>	<input type="checkbox"/>
37. Too many managers are not willing to face up to company weaknesses in devising plans.	<input type="checkbox"/>	<input type="checkbox"/>
38. Divisions do not get sufficient guidance from headquarters for effective planning.	<input type="checkbox"/>	<input type="checkbox"/>
39. Divisions are too much restrained by headquarters for effective planning.	<input type="checkbox"/>	<input type="checkbox"/>
40. The ability of managers to do effective strategic planning is taken into consideration in a proper manner when they are measured for overall performance.	<input type="checkbox"/>	<input type="checkbox"/>

Chicken and Egg: Management and Planning

By Merritt L. Kastens

This article has been derived from a chapter in a forthcoming book by Mr. Kastens, Redefining the Manager's Job, scheduled for publication in September.

Much sound information about planning has been written and distributed in the last 15 years. There's been some rubbish to be sure, but on the whole, the advice has been pretty sound, for example,

- *Planning is the first responsibility of senior management.*
- *Planners do not plan; they help decision-makers to plan.*
- *The process of planning is more valuable than the plan.*
- *Planning does not make the future certain. It is a technique for dealing with the uncertainty of the future.*
- *Planning is not deciding what to do in the future. It is deciding what to do now in order to have a future.*

Merritt L. Kastens, a private counselor to industrial firms on long-range planning, has been concerned with innovative management techniques through most of his professional career. He was assistant director of the Stanford Research Institute in its formative years, director of the Center for Planning and Implementation of the American Foundation for Management Research, and has served as an advisor to the National Science Foundation, the Solar Energy Society, the U.S. Air Force and the Senate Committee on Government Organization. Editor and publisher of *Food Industry Futures*, Kastens is the author of *Long Range Planning for your Business*, in its seventh printing, and *Redefining the Manager's Job*, to be printed this September.



- *Planning is deciding why you are going to do something before you do it.*

The trouble is, few people seem to pay attention, except for other writers on planning, who proceed to say the same thing in different words in the hope that the message will get through somehow.

Planning cannot help but remind you of another great institution, of which was said, "There must be some great good in it or it could not survive in a state of such corruption."

Planning does work for the few people who understand it. It even does some good for many people who do not understand it, but stumble onto some of its principles. It creates a lot of meaningless words and reams of useless computer print-outs for those who think it works on the basis of "put tab A into slot M and fold on the dotted line." It also scares the hell out of a lot of people who have completed Peter's Progression and are afraid someone will find out.

Perhaps the problem is that planning is too simple. Find out where you are and what is going on around you. Be honest about what you have to work with. Agree on what you want to accomplish. Decide what is the most promising way to do it. See that something is done about it. Check back to see if your ideas worked out.

With the strongest personal will in the world, no one could write a book about that. After saying it six or seven different ways in the first couple of chapters, you'd have to lard out the book with quotations and descriptions of analytical techniques. Some check lists and sample forms would be good to add weight; if you want to set a high tone, you could add an appendix with some integral signs in it.

Professors have the same problem. Planning cannot be taught in a class room. After the first week, you run out of significant things to say. Academic pride—and the short attention span of most students—won't permit you to say the same thing over and over, so you play games with case studies and,

chances are, avoid the issue by making pretty mathematical patterns on the computer.

The consultant is even worse off. Very few presidents are going to pay fancy fees to be told to think about the nature of their business, to make up their minds about what to do, and then see that something is done about it. It is more reassuring and much easier for the president to buy some resounding phrases on "leadership," or a set of fancy forms and formulas, then to hire a high priced planning "expert" and tell him, "You make our plans while I run the business." The expert can't be blamed if the company does not develop a sense of direction and some positive momentum. Chances are, he knows what planning is and has good analytical skills and techniques. In most cases, he also has a bit of evangelical fervor and will work hard at his mission amongst the heathen. But he cannot plan. He is not running the company, so he cannot call the shots or police the action.

It Must Be Written

Planning is encompassed in management like the yolk in an egg and has the same function. It is the essence of managing. There must be a reason for enterprise to provide a rationale for management action. That reason does not come in a black box plugged into the organization somewhere. The rationale to tie the operation together cannot be bought by the yard. The manager has to define the reason and design the rationale. And when he does, he writes it down; that is a plan.

Writing it down is one bit of planning procedure people do not like, but if the plan is not written down, it will not get done. It does not have to be long and complex. It does not have to be in a fancy binder. It does not have to be great literature—and in fact, may be better if it is not.

It does have to say, unmistakably: This is how we see the situation; this is what we think is going to happen; this is what we propose to do about it; and this is what we expect the results to be.

There are several good reasons why a plan must be in writing. In the first place, it is the documentation, the codification, the instrumentality of the logic by which the enterprise will be pursued. It is virtually impossible to check your own logic, much less somebody else's, until you see it in writing.

Secondly, a written plan is a tremendous communications device. It helps assure that everybody is playing in the same ball game. If it reflects some

good logical thinking, it will reassure people that the boss not only knows what he is doing but knows why he is doing it.

Third, it gives a fixed point of reference against which a new position can be measured or an established course of action confirmed. Memories are notoriously fallible, particularly in the hyperstimulation of the executive suite, and when personal egos are involved.

Do we still believe the reasons that led us to start doing what we are doing now? If not, let's stop doing it or find new reasons.

Are things turning out the way we wanted them to? If not, why did we think in the first place that they would be different? What was our mistake, not in what we did or did not do, but in taking this course in the first place? Did we underestimate our resources? Depend on the wrong man? Ignore our competitors? Misjudge the market? Expect our organization to move too fast?

Maybe we can learn not to make that mistake again, but we learn from mistakes only if we know we made them, and we have a chance to determine how and why they were made.

For a written plan is to do its job, it must mean what it says and say what it means. People must understand it and believe it; a year hence, it must mean the same thing to them as it did when it was written. That is why it will have so many numbers in it—not because numbers are accurate, but because they are specific and unambiguous. A plan written in terms subject to multiple interpretations is like a phoney cancer cure—worse than nothing because it gives a false sense of security.

Cause and Effect, Means and Ends

There are a dozen good books and a thousand journal articles that deal knowledgeably with the nuts and bolts of planning: how to define corporate purpose, the use of strategic policies, the characteristics of good objective statements, the relationships of objectives and strategies, choosing among alternative strategies, setting up project controls, so on and so forth. None will provide a blueprint to use in a specific organization, but the proven principles are there, available. If you believe the concept that management is rational, there would seem to be little difficulty in assembling a workable planning procedure from the components displayed. But if management is irrational, it will never develop a satisfactory planning procedure, its plans will not be

realized and the company will be wasting time in making them.

The essence of planning is the logical structuring of cause and effect, of means and ends.

Rational management is planned management—management with, through, and against a defined rationale. If a management insists on a rational approach to its responsibilities, the mechanics of planning will come easy. If it tries to graft an essentially rational planning process on a wheeler-dealer, compulsive gambler, “love of the game” management, the organization’s innate rejection mechanism will slough off the incompatible tissue.

The key to planning is the successive segmentation of objectives until they are broken down into actionable units. Global objectives, the primary criteria for the success of the enterprise, are all very well but they are a conceptual device rather than a management tool. They can, however, provide a base on which a management structure that provides for a rational allocation of resources and an orderly progression of assignments can be built.

The trick to planning with global objectives is not to go out and do something. The problem in running any organization, after all, is not that people do things wrong—it is that they do the wrong things. If you do the right things wrong, you have a chance to learn from your mistake and make a correction. If, on the other hand, you do the wrong things right, there is absolutely no way to salvage anything from it.

The point is, you cannot tell from a key objective what is the right thing to do. There is no way to make a direct logical connection between “eight percent annual growth in volume” and an immediate course of action.

Small is Beautiful

There must be a structure of connective logic between key objectives and action commitments or the network will short out, so overall intentions must be broken down into operational sub-units if anything is to be done. It is in the construction of this connective logic that the judgmental—as opposed to the manipulative—skill of management is both displayed and developed.

If we want to achieve Key Objective A—growth in sales volume—what are the necessary and sufficient preconditions which must be realized? We must maintain volume in certain products, sustain existing growth rates in others, generate some sales from products we do not presently have, and probably do

several other things. Taken together this set of sub-objectives constitutes a strategy. Is it the best set—the best strategy—we can conceive? Do we honestly believe that if we accomplish all of these sub-objectives, we will achieve the key objective? Do we really need to do all of these things to reach the key objective? If not, let’s prune.

These few statements—the key sales objective and its immediate sub-objectives—represent the essence of our perception of the company’s marketing posture, but they still do not tell us what to do. “Maintain sales volume in Product Group I.” But how? We need another layer of sub-objectives. To maintain sales volume we must reduce costs so that we can afford to sell at a competitive price, retain the Xerox account, improve performance on Model XYZ, arrest

Memories are notoriously fallible, particularly in the hyperstimulation of the executive suite, and when personal egos are involved.

deterioration of market position in the northeast region, etc., etc. Do we believe it? Is it the best scheme we can devise? All right, we move on to another set of objectives that represents another level of strategy.

Reduce costs—how? Cut overhead? Automate the plant? Chintz on materials? Eliminate rejects? Probably several programs in combination. We must be able to see a way, or the strategy at the next higher level falls apart and must be restructured.

The process continues through as many levels as necessary to resolve specific actions that can be taken. These actions may be set up as programs or projects, then scheduled, budgeted, and begun. Creating this kind of objective tree has been called an exercise in applied logic. So it is, because if the rational connection between the successive echelons is not valid, the plan will not succeed. It is also the toughest kind of exercise in applied business judgment. The ways the various jobs are segmented will provide a complete schema of the management’s judgment of the best way to run the enterprise.

Don’t kid yourself or anyone else—creating an

objective tree of this sort is a lot of work. No one individual or small group will do it well for even a modestly-sized enterprise. Many people can be and should be involved. When it is done, though, it will document the total implications of some of the (possibly grandiose) ambitions expressed at the beginning, which can be a shocker. It is quite possible that there is not enough time, money or talent to carry all objectives and sub-objectives through at once. You are left with the consolation that you at least found out before resources were committed and people rode off in all directions. The hoped-for results could never have been accomplished in any case, but this way you found out in advance. The objective tree acted as a model; you can go back through the structure, sort out priorities, decide what to do without for the present, and lower your sights to a realizable level. You won't have so many year-end surprises and everybody will be saved a lot of frustration..

Imposing Accountability Not Easy

You will have disappointments, though, even if you do work out a fully coherent objective structure. Some because somebody did not produce and you need a different man. Some because something happened outside—a new product, government action, price change—that you did not see coming, so you'd better check your intelligence system; maybe it could have been anticipated. Some of the surprises will come because you did what you said you were going to do and it did not work. You have learned that your perceptions of the dynamics of your business were less than perfect. You can try another working hypothesis next time around.

A particular individual will have the responsibility for each objective result on the tree. In accepting this responsibility, he also accepts responsibility for the wisdom of structuring the branch of the tree beyond. Thus, you have an explicit device for assessing both the operational and strategic competence of each manager. Any individual can judge his performance as well as that of his subordinates by this yardstick. The passing grade will probably be nothing like 100 percent, but it had best be well above 50. It should improve, too, over time as experience reveals the nature of past oversights. An objective tree is an heuristic system, a learning system, that inherently provides the basis for improvement.

Imposing this kind of accountability is not easy. Unfortunately, the principal reason there is so much

... the principal reason there is so much bad management is because bad management is so much more fun than good management. Either way, you get the fancy office, the sexy secretary, the carpet on the floor, the generous salary — maybe even the promotions.

bad management is because bad management is so much easier and so much more fun than good management. Either way, you get the fancy office, the sexy secretary, the carpet on the floor, the generous salary—maybe even the promotions. The thrill of the high stakes and the tension of responsibility is the same in both cases. But the difference is the same as that between playing roulette and making out your income tax return. Given the choice, it is pretty clear which you would choose—unless you were paid for it. Managers are paid for it—usually pretty well—so there is reason to expect them to manage well rather than to play games.

Good management is hard work. You have to think and study and get your facts straight and continuously accept that your techniques can be improved. It is easier to run things by hunch and whim, to wheel and deal and patch up the blowouts as they occur.

Fortunately, competition or the changing environment ultimately catches up with the seat-of-the-pants boys. But the ride is fun while it lasts.

Some knowledgeable readers are undoubtedly protesting that the concept of a hierarchy of objectives deriving rationally from the purpose of the enterprise through successive layers of ever increasing detail is a utopian idea which is completely unrealistic. In the real world, at least in large organizations, initiatives come not from the top but from the bottom or

the middle. "Middle management proposes—top management disposes," goes the conventional wisdom. Ideas originate "down on the firing line"; the "good" ideas are accepted and the "bad" discarded by the upper echelons through some sort of review and approval mechanism.

This may be descriptive, but it is not particularly relevant to the argument. The approval mechanism must have recourse to some sort of rationale by which to differentiate the "good" from the "bad." This rationale may be faulty, it may even be disastrous. It may be short-sighted or overly dependent on accounting calculations. But this just confirms that there are competent managers and incompetent managers. The rationale must be there and it must be based on some kind of perception of the relationship between causes and effects.

A more cynical perspective will reject this explanation and contend that the supposed "review boards" are essentially rubber-stamps, manipulated by the petitioners and denied the essential information to make an informed judgment. To anyone who has spent much time around the corridors of power, this interpretation has unfortunately a disturbing plausibility. It is possible, as is frequently contended, that senior executives base their decisions on broad, long range considerations that are not apparent to the parochial members of middle management. It is also possible that the senior managers don't know what they are doing.

If the latter could be proven in any significant number of instances, it would be a most powerful justification for federal action to break up large organizations because of size alone. If the upper echelons of the executive pyramid in fact make no contribution to the productive deployment of resources, they are quite clearly superfluous and an unnecessary tax on the economy as a whole. On the other hand, if this is the case, then the legal basis for trust-busting and forced divestiture comes into question. It is based on the assumption that these extra layers of hierarchy somehow confer undue economic power that cannot be confronted by normal commercial practices. Reasoning by analogy, the trust busters infer that because there are economies of scale in production units, there are comparable economies of scale in organizations. This hasn't been proven in the general case; those extra echelons are awfully expensive. There is a paradox here that will not be resolved for some time.

Some proponents of "management-up" take still

another position—that the primary role of the top executives is to balance and co-ordinate the diverse thrusts of various segments of the organization. This posture of neutral mediator is frequently assumed by college presidents, but it is by no means unique to academia. It would be fairly easy to respond that, under these circumstances, the chief executive is no longer fulfilling a management function, but rather a political function of arbitrating the balance among conflicting interests of multiple constituencies. This would be a cop-out-by-redefinition that seems to be quite acceptable in many academic circles—and may even be valid—but leaves unanswered the questions of "Who's in charge here?" What happened to the management function? We can draw an analogy to periods in history when the dukes took over and the king wasn't in charge. There certainly seem to be cases in industry when divisional or group vice-presidents collectively usurp the power of the throne and battle among themselves from the powerbases of their respective organizational fiefdoms. These situations are not inevitably catastrophic. The effective result is that of several enterprises of comparable status, but not necessarily identical power, operating independently.

When the several constituencies are different in kind as well as in strength, though, the central enterprise is not segmented—it is distracted. When a collegiate executive tries to perform as a conciliator of the faculty, student, alumni, trustees and other interests, the loss of sense of purpose is only too quickly apparent and the declining utility of the resources employed is perceived, at least intuitively. The same thing happens in a business even though the effect may not be so quickly apparent, particularly if the enterprise is large.

If you can sustain the mental and emotional discipline required by good planning, the pay-off is worthwhile. Reactions to changing situations will be quicker because there is a structured context within which to consider alternatives. The delay-making sense of unsureness that arises when no one is really certain he understands the problem will disappear. Decisions are made more crisply and early enough to exert maximum leverage on a situation. Individual managers will have more time to do their jobs. There will be fewer interminable and inconclusive committee meetings and fewer heart-thumping crises.

What will the managers do with all that extra time? More and better planning, of course. □



Gould: Planning Charges its Batteries

By Daniel T. Carroll

In 1967, the Board of Directors of the then downtrodden Gould National Battery Company decided it had had enough of slack profits. A new chief executive was brought in who, in turn, brought a new management team on board. Since then the company has grown and diversified strikingly. Sales in 1967 were \$100 million; profit was virtually non-existent. In 1978, Gould reported sales of \$1.9 billion and, after tax, profits of \$106 million.

Gould is still in batteries. We were the innovators of the maintenance-free battery, which has now become commonplace. In addition, we sell electric motors and high voltage equipment. We produce various types of torpedoes for the U.S. Navy and we plan to supply the Canadian Navy. We are the only producer in the Western world of the heavy torpedoes used as anti-submarine weapons. Gould has an engine bearing business, a hydraulic control business and is the world's largest producer of copper foil for printed circuits.

Each of Gould's 40 businesses is a self-sufficient division. It has its own marketing and manufactur-

ing, its own balance sheet, its own P&L statement and, importantly, its own planning.

With a 19-fold increase in sales and a hundredfold increase in profits in just 11 years, the planning process, as you might expect, went through an interesting evolution. In the beginning, in 1967-68, planning consisted of brainstorming one night a week. The senior management, then five people, met in a hotel room for anywhere from three to five hours, sometimes longer, to discuss where the business should be taken. Out of those sessions came memos that described where this organization was bound. Those humble beginnings, not much more than bull sessions, were a lot more provocative and meaningful than any of the participants ever anticipated. First of all, they demonstrated a sensitivity to the need for planning. Some of the memos produced were a lot more profound than anyone dreamed; they dealt with directions that later became quite real.

Continued on **page 7**

Carroll's Cautions

Certain principles of planning—the basics, if you will—must be faithfully followed by any company that is serious about its planning effort, in Mr. Carroll's opinion. They are outlined below:

Concern with the changing needs and motivations of customers. The most dangerous set of assumptions in any of the plans that we have seen at Gould presumed certain unchanging needs of customers. Poor managers assume that the needs in 1978 will be the same in 1979 and indeed in 1983. We have demonstrated in case after case how market share eroded, profitability declined, and factories became obsolete because of ignorance or neglect of this first essential of planning.

Recognition that planning is often antagonistic to bureaucratic structures and procedures. In a word, planning deals with change. If we accept that concept, planning inevitably becomes a hurt under the saddle, an unpleasantness or contradiction to the rigidity of an organization. Planning literally challenges how an organization functions. It may not always insist upon change, but it certainly encourages open questioning of whether that structure and its implicit procedures are still valid.

Realization that successful planning requires an ability to recover from a competitor's breakthrough. Competitors do not function predictably. Planning must anticipate and be adaptable.

Appreciation that products and processes have an inescapable life and death cycle. Too many product plans and too many manufacturing forecasts are treated as though they are carved in stone. Rarely are products shown with a decline in growth rate.

Awareness that product or industry leadership requires the ambition of a contender. Market leaders tend to become too comfortable. Leaders often have an unhappy degree of arrogance, and this may cause their downfall in time. Penn Central was once our greatest railroad. The Ford Motor Company had 60 percent of the car market. RCA invented television. CBS was the leader in television programming. Montgomery Ward was the biggest retailer. None now leads. Planning must instill in the leader a feeling that he is always in second place and struggling.

Continuing preoccupation with competition and not simply with competitors. One of the faults of most plans is that the competition section deals solely with the present array of competitors. And yet, when an organization is blindsided, it almost always comes from a company that was not recognized as competition. A new technology, a new method of distribution, a new geography or new organism—all can disrupt the traditional competition. Watch out for companies that can become competitors when the rules of the game change.

Readiness to reward perceptive and successful planning. If planning is to become a preeminent part of corporate life, successful planning needs recognition—not simply to encourage those who plan, but to set a standard of excellence that others will seek to emulate. Only with this sort of recognition can we hope to elevate planning from the realm of pleasant staff work that closet types pursue into the vitals of top management decision-making.

Willingness to revalue any asset, however prominent that asset may have been. It is tempting to assume that assets have continuing values, whether a manufacturing plant, a distribution system or inventory. It is essential that planning not be burdened with historical values that are no longer relevant. The planner may have to reduce book value to zero, in a planning sense, and maybe even to a negative value.

Appreciation that the wisdom of a planner is not necessarily measured by seniority, rank or academic credentials. Beware of a plan that is hallowed by the credentials of its authors.

Realization that leadership must create and sustain an atmosphere in which planning can flourish. The leadership of top management is not simply exhortation and vocal support. It requires the direct and continuing involvement of top management in the planning process. Top management has to think and write, challenge and be challenged in the planning process. Anything less will be viewed as fraudulent by other echelons of management.

Four Realizations

Out of those weekly sessions came four realizations.

- First, we needed planning to communicate. It was not enough to discuss the business; we needed planning so that we could articulate our expectations and explain why we were reorganizing, restaffing, upgrading, downgrading, and so on.
- The second realization was that only through planning could we begin to anticipate problems and opportunities.
- Third, we found that without planning, even in this rudimentary form, we did a rather sloppy job of allocating resources to match our problems and opportunities. The instinctive or intuitive management that we thought was sufficient in those early days was found to be highly error prone.
- Fourth, we sensed that without plans we couldn't measure adequately. We could not even confirm that progress was being made.

By 1969, we had had enough of the evening sessions and we started to organize an official system. We set up a planning department consisting of a manager and one secretary. The planning department became a vehicle for structuring a planning system. We developed planning manuals to assure a degree of structure and comparability. We required each of the 15 divisions to prepare annual plans. We set up a planning review system, and we had a "Hell Week" during which we critiqued divisional plans against some objectives and ambitions not previously articulated. We tied the results of those annual plans into what we called our monthly CORE Report. The CORE Report for each division contained a page of 30 statistics. We compared each of 30 key variables with the plan and with the prior year on a monthly and year-to-date basis. Those 30 numbers have been increased to 37 in the 10 years that we have had the CORE Report.

We introduced a KMIP program. KMIP is an acronym for Key Management Incentive Plan. It contains each of the manager's goals. A manager can increase his compensation by anywhere from 1/3 to 2/3 of base compensation by attaining or bettering his goals.

Most importantly, we began to teach people how to plan. Of course, people learn planning best when they are convinced their CEO recognizes that the skill they demonstrate at planning is a key measurement of their value.

We stopped considering only annual plans because we decided that was much too short a time horizon and didn't allow enough time to think in a broad strategic sense. As a result, we asked each of our 40 divisions to prepare, on ten pages or less, a statement of where they wanted to take the business in the next five years. We asked that strategy statements be filed by mid-year, which allowed time to critique strategy before the divisions embarked upon the business of preparing annual plans. This strategic summary forced all of us to think precisely about where we thought each business could or should go. It forced us to face up to some harsh realities:

- The amount of capital that would be required,
- The level of profit that we could expect during a development period,
- The obligations on our laboratories to speed up some product development processes,
- The demand on corporate management for certain acquisitions and, indeed, some divestitures.

In other words, the strategies forced the division and top management to face the issues, and having faced them, to avoid waste and contradiction in the annual planning process.

As Gould grew from \$300 million to \$1.5 billion sales the planning process survived and prospered. Fortunately, we learned that size and diversity do not lighten top management's role in the process.

20 Weeks Annually

As president of the company, I estimate that I annually spent about 20 weeks' time in the planning process. During the process of reviewing plans I spent at least a day with each division in preparation and review. It paid off by making me a far better executive in guiding divisions, in coaching them, and in responding to their problems.

After a number of years we realized, if we were go-

Daniel T. Carroll recently joined Hoover Universal, Inc., Ann Arbor, Michigan as President. Prior to his recent appointment he was President of Gould, Inc., and management consultant with Booz, Allen & Hamilton, serving at the time of his departure as President of the Management Consultant Division and director of the firm.



ing to review plans and strategies in a meaningful way, we had to do more than question the data and assumptions contained therein. In effect, we had to develop alternative planning mechanisms which permitted us to sense and appreciate plans other than those presented to us. This added staff work was burdensome but remarkably valuable since our divisions thought more creatively about the universe of possibilities.

What the Future Offers

Planning built Gould's road to the present. However, in the future I think the company has a number of improvements to make in the planning process. For example, the number of strategy sessions has to be reduced. Effectively, strategies are reviewed an-

. . .we sensed that without plans we couldn't measure adequately. We could not even confirm progress was being made.

nually. In the case of some divisions, that frequency indicates they are still young and somewhat unformed. In a few others, the strategy in question has not produced the results we thought were possible. There were others where an annual review of strategies was insulting and counterproductive, because they have a well-reasoned strategy that is not improved, and may even be cheapened, by annual re-submissions. Starting this year, divisions that have articulated an immutable strategy will not be asked to prepare a new strategy. Obviously this puts preparation on an incentive basis; those who develop sound strategies can cut down — not on their thinking time but on their preparation time.

Another improvement we hoped to make was to formalize an alternative scenario process. Neither I nor the chairman nor the other members of top management felt that bottom-up planning efforts were good enough. Thus, we were in the process of establishing, as an adjunct to our planning department, a think-tank which will, on a selective basis, develop alternative strategies for key divisions in the organization. They will do all of the work necessary

to build a strategy that will effectively refute or challenge the existing one. We hoped to staff this unit with people from a variety of academic and professional disciplines and thereby obtain strategies that departed from the traditional and the safe.

Over the past decade we encountered our share of learning experiences. We didn't master all the following lessons at Gould, but we were still trying.

Continuing changes in a planning system reflect a concern for planning and for excellence.

I think we worried for a long time about the fact that we changed planning almost annually, and sometimes more frequently. We changed our procedures, our format, those who were involved; we lengthened and shortened and rearranged; we redesigned forms and we introduced strategies. The result was an anxiety, almost an ashamed attitude on our part, until we looked at other managements we admired and realized that planning almost dictates an atmosphere of change. Change reflects more a respect for planning and a pursuit of excellence than a description of vacillation and uncertainty.

Regardless of planning success or maturity, there will always be much to learn from others.

For all the progress we made, we still had much to learn. We read every publication that we could lay our hands on about the planning systems of others. We traveled to graduate schools to find out what they were learning or thinking about planning. We were not shy about studying government and other not-for-profit institutions; contrary to their image in some circles, they do not do a bad job of planning. We learned a great deal, for example, from some of the developments in the Office of Management and Budget in Washington.

There is no substitute for the total involvement of a member of top management in plan reviews.

Our chairman tried two years ago to extract me from the planning process because there were some other ways he thought I might usefully spend my time. Unfortunately, the absence of the president seemed to imply a disregard or perhaps a disinterest in planning. It implied that, to some extent, planning had become so mechanical that the president was no longer required. Inevitably, the plans prepared that year contained more items that only a president could effectively challenge. Needless to say, the president has become reinvolved since that time.

To be valid and meaningful, plans must be tied to individual and organizational performance.

That thought may seem obvious, but you'd be surprised how often there are data, standards, expectations, and goals in plans that somehow never reach down to the individual who ought to be measured against them. In other cases, the goals expressed in the plans are either tightened or loosened. The logic for the loosening or tightening goes something like this: goals are fine, but the marketplace is different. A goal, for example, cannot anticipate some of the ambiguities of life, some of the frustrations of getting more production out of a particular plant and so on. But that kind of logic cheats planning and cheapens it. If you set a goal, you expect performance against it. The minute you start tampering by applying something less than that to an organizational unit or to an individual, you have done very bad things to the planning process.

Plans and strategies must differ in substance.

If a strategy is simply a 5-year version of your annual plan, then get rid of one or the other. Strategies should be an exercise in creativity and imagination. Strategies should contemplate such outrageous alternatives as going out of business or quadrupling the business. Strategy in its final form may not reflect such extremes, but those who prepare them should not just build a longer annual plan; they should contemplate what had been considered impossible.

The absence of economic, industry, and competitive data cannot be tolerated if plans are to be defensible and credible.

Though this seems obvious, plans in enlightened companies too often compromise economic, industry and competitive data. Beware of such phrases as, these are the best competitive data available, or, we couldn't get data on this particular competitor because it's now a division of a larger company, or, the economic data are so erratic we haven't chosen to use it. Send plans with these rationalizations back to be reworked.

Planning procedures must be flexible enough to accommodate non-conforming units.

We must not be sidetracked, for example, by how a particular unit calculates its accounts receivable. However, procedures must be strict enough to facilitate a consolidation for budget purposes and for reporting results. Procedures must permit comparison between units on such matters as sales, working capi-

tal, margins, cash flow. It must be clear what assumptions are made about translation gains, raw material hedging and the like. But planning procedures mustn't muzzle and hamstring units that don't quite fit the nomenclature.

A case in point: Gould has an incubator — called the New Business Division — to nurture products or families of products that are beyond the laboratory but are not ready for full commercialization. These products or lines don't have the distribution, the marketplace acceptance or the critical mass to justify full division status. We didn't want to force them into rigid planning procedures. Forcing them to behave in the way a more mature organization would behave would destroy the free-form environment that they needed.

...the strategies became a forced march by division and top management to face the issues, and having faced them, to avoid waste and contradiction in the annual planning process.

Top management must also plan if it is to remain qualified as a reviewer, creative as a critic, and responsible to its board.

Top management must hibernate for a time to contemplate where the organization is headed. Otherwise, the planning for which top management is responsible is simply the addition of division plans. A provocative, imaginative corporation weakens itself by not building a plan that is more than the sum of the parts. In Gould, annually, each person in top management prepares a plan which is presented to the Board of Directors. At a four-day meeting the chief financial officer, for example, prepared a financial plan, and I prepared a plan on operations. The process forces individuals like me to think through where the business should head and not simply be

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seduced into agreeing with the direction the divisions have voted to follow.

Planning will fail if it does not encourage change and the taking of risks.

Planning is a change agent and must be antagonistic to bureaucratic procedures. If done poorly, it can be coercive and can lead to the minimization of risk. We sometimes must make the plan review process antagonistic to risk taking. We have occasionally decreed we need a certain level of profits in a quarter. This dictum will probably produce short-term gains and, conceivably, long-term losses.

Maturity is reached when an organization can charge

a serious mishap to a failure of planning in a responsible way.

It may seem to be a contradiction, but only a planning company cares enough about planning to charge its failure to planning. If planning can be fairly judged to be at fault, it means that planning has arrived as a respected top management function when it fails. Too many companies charge a bad dip in earnings or a major business failure not to planning but to other forces and events. In Gould we charged a few shortfalls to poor planning. Keeping an honest score of planning successes and mishaps is one of the best ways a CEO can coax his plan out of adolescence and into maturity. □

North American Society for Corporate Planning

The Society is a non-profit professional and educational association formed in 1966. Today membership exceeds 3,000 individuals interested in improving their competence as planners and increasing the use of planning in corporations and institutions throughout North America.

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The Society serves the practitioner of planning on brief assignment in his career path, the experienced planner, and top executives responsible for making planning work. The wide range of activities and services that addresses the needs of members includes:

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Any person with an active interest in planning is eligible for membership in the Society. • Annual membership dues are \$55 and the membership year is a full twelve months

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GLOSSARY

GLOSSARY OF PLANNING TERMS

Accountability

A manager is "liable to be called to account for specific actions or lack of actions related to goal achievement".

Control

The process which enables managers to direct and monitor actual results, compare them to planned activities and take corrective action whenever necessary.

Departmental Operational Plan

An annual plan which summarizes, the overall objectives and operational strategies of the Department. It identifies the resources needed to deliver the Department's services and to execute its programs.

Goal

A measure of attainment in approaching an objective. Goals must be specific at all organizational levels and must be stated as an end result in measurable terms and must incorporate a date of attainment.

Management Control

The management process of ensuring that resources are obtained and utilized efficiently, effectively and economically to accomplish objectives.

National Program Objective

A statement of a result or achievement, desired by a Program over a given period of time. A National Program Objective expresses in broad terms, both the direction and the future course of action for a specific Program and the Department in general.

National Program Operational Goal

The highest level of goal established within each Program. National Program Operational Goals are formulated by each ADM for his/her Program.

National Program Operational Plan

A medium term plan, resulting from the Operational Planning process, which contains goals, strategies and costs to achieve the goals. The National Program Operational Plan is updated annually by each Program in the Department.

GLOSSARY

Objective

A broad statement of an end result or condition which is to exist at a future point in time.

Operating Goal

A secondary level goal which contributes towards the accomplishment of a broader National Program Operational Goal.

Operating Strategy

The ways and means of achieving an Operating Goal. An Operating Strategy is developed by the Responsibility Center Manager responsible for the achievement of the related Operating Goal.

Operational Planning

The process of clarifying the departmental strategic objectives, identifying supportive Program goals and developing strategies to achieve these goals.

Planning Framework

The general concept and structure of Planning and the related Definitions adopted by the Department.

Planning Process

A logical series of steps required to establish objectives and goals, and to determine the means and costs of achieving them in the most efficient and effective manner.

Program Effectiveness

The extent to which a desired result (objective) is achieved.

Strategic Overview

A document which summarizes the overall assumptions, environmental considerations, strategic options and the chosen strategies of the Department.

Strategic Plan

A long term plan, resulting from the Strategic Planning Process, which identifies the major Departmental long term objectives, lays down broad and fundamental directions and describes how they will be pursued.

Strategic Planning

The process of establishing long term objectives, initiatives and policy thrusts of the Department.

GLOSSARY

Work Plan

A costed 1 year plan, which identifies specific projects and activities to be undertaken and the end results which will be achieved by a manager. It specifies the resources allocated to carry out the projects and activities and supports the National Program Operational Plan.

Work Planning

The short term component of Operational Planning which involves the detailed identification and costing of specific projects and activities to be undertaken in the first year of each National Program Operational Plan.