Parks Canada

Review of Business Planning Process (Phase 2)

Final

Performance Audit and Review Group

August 1999

EXECUTIVE SUMMARY

A review of business planning was conducted to assess participants' experiences with 1) the preparation of the business plans subsequent to the modifications introduced following a review of business planning last summer, 2) the horizontal review of business plan contents, 3) presentations to Executive Board and 4) experiences with the preparation of annual reports. Data was gathered from interviews with twelve field unit superintendents, two service centre directors, a representative from the offices of the DG East and West, three members of the Executive Board including the CEO, three members of national office directorates responsible for preparing business plans, and four analysts at national office responsible for analysing business plans.

Three overall themes were evident. First, despite several specific irritants and problems the overall impression is one of a process that is working well and to which the vast majority of respondents are committed and see as valuable. Second, there is a lack of universal understanding of virtually all aspects of the process. That is, respondents hold a diversity of views about the purpose and actual use of plans, reviews, presentations and reports. As a result managers take different approaches to writing their plans and reports, providing and receiving feedback from reviews, and structuring their presentations to Executive Board. Building a shared understanding of the goals and uses of each element of the process is the biggest single improvement that could be made at this time. Third, managers are generally looking to do the process better. They are eager to improve and are seeking examples of best practices. National office can and should take action to ensure that best practices for all aspects of the process (i.e., preparation of business plans, presentations, and annual reports) are identified and shared in a convenient forum.

Other specific recommendations are that:
▸ Business plans should be strategic documents at the unit level, not a data gathering tool and as such should be shorter, more high level and simpler
▸ National office directorates should develop a template and discuss alternative indicators and timing for their business plans
▸ The purpose and use of reviews of business plans should be clarified including roles and responsibilities
▸ Instructions and templates for responding to horizontal review issues should be developed as part of call letter for business planning
▸ The logistical arrangements for the presentations should be improved including processes that increase the likelihood that senior managers will attend
▸ The next annual report should be produced in February to April for use in performance appraisals of managers
▸ Analysis of annual reports should be used to provide background for the corporate annual

report and setting service line priorities for the following year. This analysis should be shared with managers in the Agency

REVIEW OF BUSINESS PLANNING PROCESS (PHASE 2)
PARKS CANADA[1]

1.   INTRODUCTION

In spring 1998 Parks Canada conducted phase 1 of a review of its business planning process. The review focused on how well the business plan process was meeting its objectives, from the perspectives of a wide range of participants and sought to identify continuing improvements that could be introduced before initiating the second planning cycle.

The 1998 Review focused specifically on the planning aspects of the process (i.e.,strategic directions, performance indicators, instructions on the form, timing and sequencing of responses, meetings with Executive Board and follow-up from these meetings) and not on the extent to which the process has been integrated and used to report on performance, revise plans and set new directions and priorities for the organization.

The completion of the second round of business plans as well as the preparation of the first round of annual reports provides an opportunity for exploring several issues related to process of business planning and reporting. Specifically the phase 2 of the business plan review focused on participants' experiences with:

1.   the preparation of the business plans subsequent to the modifications introduced following the phase 1 review.
2.   the horizontal review process
3.   presentations of business plans to Executive Board or to regional DGs
4.   the preparation of annual report

2.   CONTEXT

In December 1996, the Executive Board of Parks Canada approved the development of a new business planning approach for field units. A pilot project was conducted in 1997 with the objectives of improving the business planning process and ensuring organization-wide involvement and commitment to business planning. The final report of the pilot project *Parks Canada Business Planning Project: Improving the Results of the Organization* (October 1997) formed the basis of the model of business planning adopted for general use in the fiscal year 1998-99.

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[1]   This report was prepared by the performance, audit and review unit, Strategy and Plans Branch, Parks Canada, based on original research and analysis conducted by **Progestics Inc.**

Business plans are accountability documents between managers and the Executive Board. The plans address the implementation of the strategic directions and priorities provided by the executive board. In the case of field units, business plans were also designed to show progress toward the goals set out in the more long term management plan of individual PHAs.

As noted above, a Review of the initial round of Parks Canada's Business Planning process was conducted in June 1998. All Field Unit Superintendents, Service Centre Directors and National Headquarters Directors General were surveyed on their experience with business planning (80% response rate). Interviews were also conducted with fifteen managers, including members of Parks Canada's Executive Board.

The Review revealed a very high level of acceptance for the Business Planning process and wide spread perception that the plans themselves were useful. Other positive features of the experience included the presentations to the Executive Board, the quality of the instructions for completing the plan as well as the availability of and quality of support, advice and training. However, as a result of this generally positive reaction to the planning process there was concern that the very success of the initiative would be its downfall if it resulted in adding more elements and requirements to the Plan.

In addition to these generally positive comments several areas for improvement were identified. These included the number and specificity of the strategic directions and service line priorities (i.e., too many and too vague), the validity and practicality of the performance indicators, the practicality of reporting activities and costs by service lines, the timing and communication of directions and information, the overall application of the reporting structure to service centers, some concerns with peer review, and the overall length of the plan as well as the associated workload.

Since the 1998 Review a number of changes were introduced. The strategic priorities and performance indicators have been revised twice.[2] In addition, presentations to Executive Board were changed to a two-year cycle with half of the individual business units presenting every year. A separate template for completing the plan was developed for service centers. Peer

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2   They were first revised in fall 1998 at a national workshop which lead to the identification of 30 service-line priorities compared to 33 in the original plan. The 30 priorities were elaborated on with examples of specific activities that could be undertaken to respond to the priority. Since these descriptions included some of the old priorities the net effect was to increase the number of priorities rather than reduce them. In addition, indicators were developed for each priority resulting in a large number of indicators (i.e., more than 60) compared to the 20 indicators attached to the more general service lines in the first plan.

The priorities were again revised in spring 1999 at a second national workshop resulting in nine priorities again with some elaboration. The number of indicators was reduced to about 20 linked to the general service lines. Because changes in the priorities and indicators for the next round of business planning had already been agreed to these elements of the 1999-00 plans were not a focus in this review.

review was replaced by horizontal review. Horizontal review focused on 3 strategic issues (i.e., heritage presentation, aboriginal issues, and human resources) rather than on the totality of plans as peer review had done. Several changes were also made to the content of plans (e.g., a summary of activities related to the external relations was added to the executive summary, the appendix with cross links to management plans was dropped).

Finally, it should be noted that two aspects of the business planning process as originally conceived (i.e., resource allocation, mid-year up dates) have never been implemented.

The key milestones in the first two rounds of business planning are shown in Table 1 below. At the time of this review several units had not submitted their first annual report nor have any units received feedback on their annual reports. In this sense, the review took place before a complete cycle of business planning has finished.

Table 1
Key Milestones in the 1998-99 and 1999-2000 Business planning Cycles.

	1998-99 Planning Cycle	**1999-2000 Planning Cycle**
1998 January	Plans were completed and sent to HQ	
	Presentations to Executive Board by all FU, Service Centers and Directorates. Feedback to all units who prepared plans.	
June	Data for Phase 1 Review of Business Planning gathered.	
Sept		National conference to identify new national priorities and indicators. Indicators are linked to service line priorities rather than to general service lines.
Nov.		Call letter for Business Plan sent
1999 Jan-March		Complete Business Plans received
April-May		Feedback to all Unit managers on the content of their business plans followed by presentations to Executive Board.
May-June	Complete annual reports on business plan achievements received at HQ.	

3.   METHODOLOGY

Interviews were conducted with twelve field unit managers, two service centre directors, a representative from the offices of the DG East and West, three members of the Executive Board including the CEO, three members of national office directorates responsible for preparing business plans, and four analysts at national office responsible for analysing business plans. The latter two groups were interviewed as groups.

Interviews ranged from about half an hour to two hours in the case of the group interviews. On average interviews with managers took about an hour. After the completion of the original interviews it was decided to conduct short follow-up interviews (i.e., 10 or 15 minutes) with field unit managers and service centre directors in order to obtain more detail about their reaction to feedback on their business plans.

4.   RESULTS

4.1   Business Planning Process

Consistent with the Phase 1 review of business planning in Parks Canada, most respondents had a positive view of the process, thought it was working well and was a good vehicle for highlighting issues. With the exception of a few national office respondents, most thought the plan helped them priorize their activities and adequately represented both their situation and planned actions for the coming year. All Executive Board members interviewed were very supportive of the process and saw improvements over the previous year.

This is not to say that respondents were entirely positive about business planning. Problems mentioned included too many priorities, inappropriate performance indicators, problems with the use of the PRAS as the format for organizing the plans (e.g., difficulties with allocating resources such as salaries to service lines), the inclusion of redundant information, and the complexity of the templates (i.e., indicators, key activities, results, service delivery strategies, etc.). Again, these comments echo comments from the Phase 1 review.

The two biggest changes to the process in the last year were the move to a two year cycle for presentations to Executive Board and the replacement of peer reviews by horizontal reviews. The majority of respondents (i.e., all but 3) supported changing the presentation cycle from once a year to every two years. The Executive Board members supported this change also. Respondents were less positive about the change to horizontal reviews with only five respondents expressing support for the move. This is not to say that respondents wanted to move back to the original peer reviews. Rather the issue was more fundamentally concerned with the nature and kinds of feedback managers should receive on their business plans. This issue is examined in more detail in section 4.2 below.

Service centre and national office respondents were also specially asked to comment on the usefulness of using the PRAS service lines to organize their plans. As a result of the first review of business planning service centres developed a template that overlays the service lines in order to facilitate their planning. The service centre respondents found this template to be a useful innovation although one felt its utility was limited by the need to adapted it to fit revised service line priorities each year. A few national office respondents found that reporting by service lines did not adequately represent the work they did and wanted to develop an national office template similar in concept to the service centre template

All respondents were asked about the timing for completion of the plan (i.e., November to January). Respondents were evenly split on whether this was a good time to be preparing business plans. Some reported problems due to the holiday season, and conflicting operational requirements. Although many managers did not object to the November - January timing for completing the plan, virtually all respondents supported the idea of returning to the original timetable for business planning in which plans are completed in September and October.[3]

As expected, the amount of time invested in business planning by each unit is decreasing according to most respondents. While most respondents reported an investment of between twenty and forty person days to complete the plan estimates varied substantially ranging from from about 5 days to 1 person year.

Finally managers were asked to comment on the possibility of using a checklist to capture the status of key plans and outputs (e.g., EI and CI statements) rather than including details about these in the narrative of their plans. They were provided a copy of a draft checklist to illustrate the concept. The checklist concept was widely endorsed. There were suggestions of additional outputs to be documented. A few respondents raised some concerns that the checklist would be redundant with other planning and reporting mechanisms particularly the annual report.

In summary, respondents thought the business planning process was important, generally working well, and a good vehicle for setting their priorities and for drawing out issues. With the exception of some national office respondents, all thought their plans adequately represented their situation and plans for the coming year. There was wide spread support for using a checklist to capture key output data and for completing plans during September and October for Field Units with service centres reporting a month later. There were at least some representatives of national office who found the current planning structure inadequate to their needs and wanted a template similiar to the service centre concept for future planning purposes.

Finally, it should be noted that while not explicitly addressed in the interview questions there

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[3]   Service Centre had asked for and received permission to submit their plans a month after the field units because of the need to coordinate their planning based on an understanding and agreement of what they will provide to field units.

were several indications that managers approached the planning exercise with different goals or purposes and with different potential uses in mind. This is evident for example in the fact that plans differ considerably in the amount of detail they include (i.e., ranging from about 35 to about 200 pages) and in the fact that at least one national office directorate attempted to construct a corporate plan rather than a unit plan.

4.2   Reviews of Business Plans

Two separate but related process were involved in the review of business plans this year. The first, called horizontal reviews, was mandated by the Executive Board as a replacement of the peer review process used in the first round of business planning. Horizontal reviews were conducted by teams of national office and field unit personnel focusing on specific issues that were deemed to be important to the organization overall (i.e., human resources, heritage presentation, and aboriginal issues).[4] The issues were announced after the plans were in preparation and in some cases completed. As a result many field units did not prepare their plan with these issues in mind. The second review process was provided by Strategy and Plans Directorate (S&P) which sought to fill the void left by the absence of peer review and provide overall feedback and comment on the content of individual business plans.

Respondents reported they were aware of the different reviews and the sources of the feedback they received. In the case of horizontal reviews they reported that the overall time commitment required of reviewers and recipients of feedback was generally small (i.e., between 3 to 5 days of reviewers time although some reviewers reported doing the work on their own time after-hours, and an average of a day or less for recipients to respond to feedback). Given the relatively minimal time involvement of the reviewers and recipients of feedback it is perhaps not surprising that neither group had a problem with the timing of the feedback. In contrast, review of all the plans by national office analysts was viewed as requiring a significant time commitment.

Although the horizontal review process is not unduly burdensome, the overall impression of the substance of the exercise is largely negative with some notable exceptions. First, as with other parts of the business planning process, respondents ascribe many potential objectives to the exercise and describe many specific uses of the results of the horizontal reviews. Among these are the identification of corporate trends, the identification of problems or deficiencies in individual plans, ensuring that FUs addressed specific issues, helping superintendents improve their performance, and helping superintendents prepare for the Board presentations. The same comments were also relevant to the feedback provide by S&P. In other words, there was no universally shared understanding of the overall purpose of the review processes and no common understanding of the secondary uses of the resulting information (i.e., is the review process to

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[4]   Horizontal reviews and peer reviews were both conducted by groups of peers. They differ only in the focus of what is being reviewed. In the case of horizontal reviews the focus was on a limited set of topics rather than overall plans.

identify corporate trends or to improve individual business plans; is it an information synthesis function or a challenge function).

Consistent with the findings from the previous review of business planning, members of the review teams found the process of reviewing plans to be extremely useful to them personally (i.e., it provides insight into what others are doing and how they handle issues as well as construct plans). However, there was no significant difference between reviewers and non-reviewers in terms of their views of the usefulness of the horizontal review beyond this personal utility. Only half the respondents thought the review results would be useful for the organization overall. Less than half (i.e., 40%) thought the feedback from the review about their particular unit was useful, and still less (i.e. 30%) thought the results would be useful for the Executive Board.[5] Notably, no respondents mentioned changing their business plan as a result of feedback from either the horizontal or S&P review processes.

These views contrast somewhat with the views of the Executive Board members who tend to believe that the horizontal reviews have been extremely successful in raising awareness and bringing leadership in the three areas targeted by the reviews. That is, the reviews were useful from the corporate perspective although even among some Executive Board respondents questions were raised about the value of comments on individual business plans.

In part, the horizontal review process was hampered by the fact that notice of the reviews was provided after some units had completed their plans and were unable to respond. Furthermore, there was no consistent direction to the review teams on how to conduct their work and as a result no consistency in the focus and nature of the feedback. The feedback provided, including the S&P feedback, appeared to take some managers by surprise and they have questioned the role and capability of S&P and the horizontal review teams to make well informed comments on their operations.

In practice, all the feedback from the various review processes was collected centrally by Strategy and Plans including comments from different units within Strategy and Plans. A four to seven page package of comments was provided to each field unit superintendent for verification, elaboration and comment. The comments were only shared between Strategy and Plans and the field unit[6]. As a result of dialogue between the field and S&P analysts the comments were edited to create a two page summary of key issues or questions that in turn was a part of the briefing

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[5]   There was a strong consensus that the Aboriginal review results were more appropriate and at a better level of analysis (i.e. more strategic) than the other reviews. However, even here it is not evident that the results changed anything in individual business plans.

[6]   There is some indication that some comment packages were inadvertently shared with managers for whom they were not intended.

book prepared for presentations to Executive Board.[7]

Clearly the fundamental question that arises from the whole review process is not whether to do reviews which seek to identify corporate trends and patterns since these are seen by many including the executive board as useful. Rather the key questions are 1) whether to analyze individual unit plans with a view of providing independent advice to the Board on some or all aspects of the plan 2) if advice is to be provided to the board who should provide that analysis function, and 3) what if anything should be negotiated with and feedback to the author of the plan. The current review of business planning does not provide definitive answers to all of these questions. Nevertheless some things are clear. There is some desire on the part of executive board for independent analysis on some plans. There is also a desire on the part of some field units to receive feedback and analysis of their plans. What is not clear at least from a field unit/ service centre perspective is what would constitute useful and acceptable feedback. Nor is it clear who should conduct analysis of individual plans at this level. Strategy and Plans obviously has a role, at least minimally, to support the process. But experts from the other national office directorates might also have a role as would people in the field and service centres. In other words, a concept similar to the peer review process used in the first round of business planning. Ultimately, the key to making the process work involves creating a common set of expectations and beliefs about respective roles and responsibilities of the groups providing independent review of the plans.

4.3 Presentations

Respondents reported a variety of different goals when presenting to Executive Board. Most managers were concerned with presenting some of their critical issues and in getting direction. Some reported trying to inform the board about the context and background in which their unit operates while others tried to respond to issues raised by the feedback they had received from Strategy and Plans directorate and through the horizontal review process. Few managers reported approaching the presentations with expectations of receiving new resources (i.e., dollars).

Furthermore, most respondents who were not satisfied with their presentations now believe that they focused too much of their time on either providing context and background or responding to issues raised in the review process. In the future they are resolved to do less of this and concentrate more on presenting their strategic issues and concerns. That said, there is also

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[7] In order to understand more specifically why the review processes was proving problematic, an attempt was made to reinterview all field unit and service centre respondents in the original sample to have them provide examples of useful and inappropriate feedback. This proved unsuccessful. Only five of the fourteen superintendents or service centre directors in the original sample could be recontacted within the time available. None of those reinterviewed could provide a specific example of inappropriate feedback based on the written comments they received.

interest both from managers making presentations and from the Executive board members in having a set of guidelines on how to structure these presentations.

Although managers approached the presentation with different goals in mind most believe it was very useful both for themselves and for the Executive Board. Managers value building awareness among the executive of their issues, receiving immediate feedback, and confirming direction. They think that the Board benefits from the information exchange, the opportunity to get questions answered and see where pressures are coming from. In fact, managers were more likely to think that the Board benefited from their presentation than to think they benefited personally.

One of the main benefits for managers is the feedback they received from the Board. Some managers were quite enthusiastic about the feedback they received (i.e., specific direction on how to proceed, a heads up on a specific issue, and assurance that the Board understood key issues). Others felt they did not received all the feedback they required in part because they did not have enough time to complete their presentation or because the board was not sufficiently prepared or aware of the FU issues and did not have resources available to address the problems. Some respondents also alluded to the fact that the S&P notes and feedback received after the presentation were very useful.

In fact, the lack of time for the presentations was the most commonly identified problem. This is perhaps related to the multiplicity of goals that managers were trying to address in making the presentations. As managers themselves noted, the more time spend on background, context and problems identified in the review processes the less time devoted to their key strategic issues and concerns. Those managers who tended to be happier overall with their presentations were more likely to assess the quantity of time available as adequate. Those who were less than happy with the results were more likely to assess the quantity of time received as less than adequate. Those wanting more time on average wanted about 25% more regardless of how much time they originally had to make their presentation.

Another common concern was senior management participation in the presentations.   The CEO for example was unable to attend any of the presentations this year, a fact which he acknowledged as a problem. Other members of the Executive Board also were unable to attend some presentations particularly when the presentations were held outside Ottawa. From the perspective of managers making presentations, the importance of senior managers attendance at the presentations can not be overstated.

In contrast to the managers making presentations, Executive Board members where particularly likely to express concern with the lack of financial resources and their resultant inability to respond concretely to issues identified by field units. However, as noted this did not appear to a major concern for field unit superintendents who reported little expectation of receiving additional resources as a result of their presentations. This suggests a potential disconnect

between the experience of presenters and the Board.   For the presenters there is a certain degree of psychological importance in having the senior executive group and in particular the CEO present and involved in a discussion of their issues even if it is not possible to address all the problems with concrete infusion of resources.   The Board in turn may be underestimating the value of the attention and policy direction which they can provide independent of having specific financial resources to address problems.

A final set of concerns with the presentations process was related to the logistics of the meetings. Several comments were made concerning setting up the room in advance to accommodate technology (ex. Power point), having refreshments available, having better facilities available for those managers waiting to present or allowing managers to sit in on the presentations by others.

In summary, the presentation process and cycle is seen by almost everyone as very useful and important. Some managers were not happy about their presentations last year, however they are aware of the reasons and are planning to perform better next time.   The national office could help in this regard by producing information and guidance on how to structure the presentations. The remaining critical issue concerned attendance at the presentations by the CEO and other senior DGs in the organizations. This is widely acknowledged to be a problem which will need to be addressed in the coming round of business planning.

4.4.   Reporting on business plans

Not surprisingly, most respondents had an unclear picture of the objectives and purposes of the annual business plan reporting process. Some saw it as an official reporting mechanism to be used for accountability purposes, others saw it purely as an information tool, and others saw no purpose at all. In fact, the national office was only beginning to grapple with the question of how they would use the annual reports as the information was being received.

Regardless of the official purpose of the report, managers where able to envisage several uses for them. These included use in decision making for purposes of resource allocation, use in personnel appraisals, use for benchmarking, and for communications in general. Others believed the reports would be used as a reporting tool for Treasury Board presentations, for Executive Board presentations, for maintaining a historical record of what was accomplished, and as an analytical tool to identify issues and trends for the future.

Most managers found the process of preparing the annual report to be very useful for themselves as well as their staff who participated. The call letter and the model used to illustrate the annual report were deemed to be very useful in most cases. Production of the reports do not appear to place undue burden on reporting units. Most respondents reported spending between one and five hours preparing the report, with a few reporting eight to ten hours, and one respondent reporting thirty to fifty hours.

Managers were asked what feedback they would like to receive on their report. Some managers requested feedback on the content of the report and its appropriateness in responding to the call letter. They would appreciate informal comments on the content prior to an official response. Others wanted access to other reports to be able to compare, are seeking information on best practices, and want to identify top performers in specific areas of concern. Some managers would like to know if trends and issues were uncovered during the analysis of the reports. Virtually all managers would like at least an acknowledgment that their report has been received at national office.

Most of the respondents had views of the timing of the production of the report (i.e., they received a call letter in early May asking for the complete report by the end of May). This requirement to report was not anticipated by many and the requested time frame was seen as too short. Given this it is not surprising that many managers responded positively to the proposal that the call letter to be sent out at the end of February with the report due by early April. For a few respondents the early April deadline presented a problem because of year-end pressures and their desire to report actual year-end data. These respondents would accept an end of April deadline.

In summary, most respondents viewed the process as being important and worthwhile as well as a good opportunity to account as part of the business planning process. Most felt the report adequately represented their accomplishments for the year although two national office representatives expressed reservations about this. The vast majority of respondents would favor preparing the reports in February to April.

Conclusion and Recommendations

Three overall themes were evident from the review. First, despite several specific irritants and problems the overall impression is one of a process that is working well and to which the vast majority of respondents are committed and see as valuable. Second, there is a lack of universal understanding of virtually all aspects of the process. That is, respondents hold a diversity of views about the purpose and actual use of plans, reviews, presentations and reports. As a result managers take different approaches to writing their plans and reports, providing and receiving feedback from reviews, and structuring their presentations to Executive Board. Building a shared understanding of the goals and uses of each element of the process is the biggest single improvement that could be made at this time. Third, managers are generally looking to do the process better. They are eager to improve and are seeking examples of best practices. National office can and should take action to ensure that best practices are identified and shared in a convenient forum.

The following are the specific recommendations for each of the four elements that were examined in the review.

1.   Business Plan Process
       ‣ Make plans more strategic (i.e., shorter, more high level, simpler)
       ‣ Make better plans available as examples of best practice
       ‣ Create national office templates and review timing and indicators for national
          office plans
2.   Reviews
       ‣ Clarify the purpose and use of reviews including roles and responsibilities
       ‣ Provide instructions and templates for responding to horizontal review issues as
          part of call letter for business planning
       ‣ Clarify and negotiate content prior to providing feedback
3.   Presentations
       ‣ Clarify the purpose of the presentation
       ‣ Provide guidance on format and content
       ‣ Improve the logistical arrangements for the presentations including processes that
          increase the likelihood that senior managers will attend
4.   Annual Report
       ‣ Clarify the purpose and use of the report
       ‣ Make all reports available, and indicate which are best practices
       ‣ Provide a summary of accomplishments for all managers