



Governance Tips

Helping you stay on track

Planning for the future

Term 4 2009

The next few years will see some major changes in the management and delivery of early childhood services in Victoria and across Australia. It is therefore, more important than ever to start thinking about what this change may mean for your service and planning to meet the challenges ahead.

One of the biggest risks for many volunteer parent committees of management is not setting aside time to plan beyond the end of the year. Rather than looking at the long-range, big-picture, they focus on operational issues and day-to-day survival and end up working harder not smarter. The long term viability of a service may be at risk unless the committee of management has a clear strategic direction --- where they want the organisation to be in three years or five years time. A strategic plan will enable them to allocate their time and financial resources more effectively and efficiently. This may be referred to as stewardship which is an essential element of governance.

While strategic planning is often thought of as something reserved solely for big businesses, it is equally applicable, and even more critical, for small organisations including early childhood services. Unlike bigger companies that can afford to make a strategic error, a mistake at a smaller organisation can put it right out of business.

For this reason, failing to plan is literally planning to fail.

What is strategic planning?

It is an organisation's process of defining its strategy or direction and making decisions on allocating its resources (funds and people) to pursue this strategy. It is the formal consideration of an organisation's future course, usually over the next 3-5 years (sometimes the vision may extend to 20 years).

A strategic plan is a process of evaluation and planning for the future, thinking through and documenting:

- Who are we and what do we stand for
- What are we doing
- For whom

- Why
- How
- How do we excel or how can we best meet the needs of our community
- How will we evaluate our progress?

Strategic planning is analytical, comprehensive, thoughtful, tactical and asks the difficult questions –

- do we need to change our mission
- has our target audience shifted its focus – work part time, need longer hours
- should we abandon much loved programs that have outlived their usefulness and concentrate our resources elsewhere
- is there enough capacity and commitment with our present staff and committee to achieve our goals?

What are the benefits of a strategic plan?

A strategic plan will help to focus the committee, staff and parents on working together and should clearly define the direction of the organisation and the goals you would like to achieve.

The strategic planning process enables committees to define, refine and fully communicate the purpose of their organisation for themselves and to others. It also matches the strengths of the organisation to available opportunities, enabling committees to determine how their organisation will continue to operate and serve the families of their community into the future.

Strategic planning saves wasted time - every minute in planning saves 10 minutes in execution.

Creating a solid strategic plan need not be difficult - if approached properly.

What is the process?

A subcommittee with regular reporting requirements to the management committee may be delegated the task of developing and monitoring the strategic plan.

Collect, screen and analyse data about your organisation, the stakeholders and the environment.

PROGRAM PARTNERS



Department of Education and
Early Childhood Development



Kindergarten Parents Victoria Inc. ABN: 39 058 205 158
Reg No: A0024070C PO Box 1246, Collingwood VIC 3066
Tel: (03) 9489 3500 Rural: 1300 730 119 Fax: (03) 9486 4226
Email: kpv@kpv.org.au Website: www.kpv.org.au

Committees must make sure they have a clear understanding of their strengths and weaknesses. The simplest way to do this is to interview your employees and families (current, future and potential), asking them what they believe are your organisation's strengths and weaknesses. It is important to survey a broad range of people and then look for the most frequently cited attributes. Generally, people's perceptions of strengths and weaknesses of an organisation are fairly accurate. The information you obtain is then used to develop a clear mission with supporting goals and objectives. A SWOT analysis may be used at this point in the process because it enables people to reflect on the:

- STRENGTHS** of the organisation, such as caring staff, well equipped
- WEAKNESSES** of the organisation, such as transient population, old buildings
- Consider what **OPPORTUNITIES** might be available to them, such as new residential development nearby, capital works grants
- What are the **THREATS** (Risks) to the organisation. Risks may be physical, financial, legal, ethical, moral or political. (*Information about Risk management is included in the Governance Tips Term 3 2009*).

Thinking strategically means making choices both about what you want to be and don't want to be. Be realistic, looking at both the pros and cons of your ideas and plans. The strategic planning process should seek to uncover possible risks and challenges, not simply highlight the benefits and it is important to take an unbiased view of the situation.

Involving others in the process makes the plan more strategic and better poised for success. People including the broader community have a variety of experiences and look at things in many different ways. Bringing multiple perspectives to the table is vital in uncovering potential challenges and pitfalls. In addition, by involving others in the process you gain their support. Employees also like and need to feel that they can make a difference. Soliciting their input and ideas will make them a valuable part in creating the plan and implementing it. They will be energized to put forth their best effort to reach the stated goals and objectives

Write the plan down. The plan should then serve as an umbrella to guide day-to-day behavior however the only way it can do that is if it is translated into specific, measurable goals, objectives, and action plans. This is often referred to as a Business plan. The Business plan usually covers a 12 month period with six-monthly reviews (or whenever there are significant new opportunities or threats such as a salary increase).

What is a business plan?

It is a document that summarises the activities for a given period of time which describes the organisation's current status and plans for the immediate future and beyond. It will usually include a detailed listing and analysis of risks and uncertainties.

Communicate the plan to staff, families, members of the organisation and importantly to any new committee members. Make sure they understand it and what is expected of them in reaching the goals.

Monitor, evaluate and update to make sure the plan remains realistic and effective. Changes in the landscape can alter any plan and staying on top of what's going on internally and externally will help make sure you stay on the right course.

Steps to developing a strategic plan

1. Determine the planning process (why, who, how, length of time, resources required)
2. Gather information (SWOT analysis)
3. Identify strategic issues (analyse the information from the SWOT analysis)
4. Clarify vision, mission and values (identify or review why you exist – mission statement)
5. Develop goals (which are specific, measurable, acceptable, realistic, timely, extend capabilities and rewarding) and strategies- prioritise
6. Plan actions – decide on what activities will help you achieve your goals, who will be responsible and when the activity should be completed by
7. Develop a budget – ensure the activities are included in the organisations budget
8. Implement and evaluate – process for measuring and honestly evaluating progress, how will the organisation know who has done what, to whom and by when

Tips

- Have one person with overall responsibility to coordinate
- Share the workload, identify discrete responsibilities and tasks
- Be clear, short and simple
- Find and use facts and hard figures
- Set
Specific
Measurable
Acceptable
Realistic
Timely, targets and timelines.

PROGRAM PARTNERS



Department of Education and
Early Childhood Development



Kindergarten Parents Victoria Inc. ABN: 39 058 205 158
Reg No: A0024070C PO Box 1246, Collingwood VIC 3066
Tel: (03) 9489 3500 **Rural:** 1300 730 119 **Fax:** (03) 9486 4226
Email: kpv@kpv.org.au **Website:** www.kpv.org.au