

# **Three step approach to operational planning**

**Compass Partnership**

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# Aims of this workshop

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

# A common planning process

**Strategic Plan or Framework**



**Board decisions**



**Operational Plans and budgets**

# What is Operational Planning?

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

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

# Why plan?

## For you

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

# Why plan?

## For Senior Managers

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

## For the organisation:

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

# Operational planning terms

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

# More terms

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



# Some assumptions

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

# Top level corporate plan contents page

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

# Common Problems

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

# The three step process

- 1. Establish 'departmental' objectives**
- 2. Agree activities**
- 3. Propose timetable, resources and KPI's**

# Step 1 Establish 'departmental' objectives

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

## Step 2 Agree activities

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

## Step 3 Propose timetable, resources and KPI's

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

## Some tips

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



# So what do I have to do...

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

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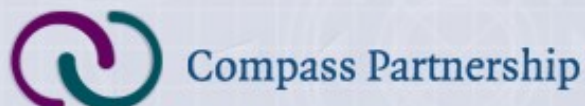
**Mike was a Visiting Fellow at the London School of Economics from 2000 – 2003 and is currently a Visiting Fellow at Cass Business School in London.**

### **Compass Partnership books**

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

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

**Both are available from [www.dsc.org.uk](http://www.dsc.org.uk)**



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