

Philosophy Statement

STRATEGIC PLANNING WITH THE BALANCED SCORECARD AT WYDOT

WYDOT has used the Balanced Scorecard (BSC) as a strategic planning tool since 2005. The original tool or template was patterned after the Kaplan-Norton model, but has been revised several times over the years. The way in which we use or apply the tool has also evolved. Our current approach or "philosophy" regarding strategic planning with the BSC is outlined below.

WE DEFINE STRATEGIC PLANNING SIMPLY AS THE PROCESS OF ANSWERING FOUR BASIC QUESTIONS:

- Where are we now?
- Where do we want to go?
- How will we get there?
- How will we know if we made it?

RECENTLY WE HAVE SHIFTED OUR FOCUS:

- From performance measurement ("reporting the past") to strategic planning ("planning the future")
 - Because performance measurement is important, the appropriate Executive Staff or Command Staff will continue to review a Program's actual amounts compared to the targeted amount.
- From a one-year outlook to a three-year outlook (with yearly reviews and updates).

THE KEY COMPONENTS OF OUR STRATEGIC PLANS AND THE PLANNING PROCESS INCLUDE:

- Environmental analysis: including internal strengths and weaknesses as well as external opportunities and threats (at WYDOT this step is considered optional)
- Vision: defines the organization's vision of a desired future
- Mission: defines the overall organization's purpose as it exists today
- Values: a definition of the organization's desired culture; beliefs which guide the organization's relationships with customers, employees and other stakeholders
- Purpose: defines why the specific Program exists within the organization
- Goals: define what the organization or Program wants to accomplish; the end result
 - Goal congruency or alignment is important. This is an indication of how well goals combine or "mesh" with other goals.
- Strategies: Define how the goals will be accomplished; the "action plan" or the means to an end
- Performance measures: define what will be measured or counted to determine whether the goals have been accomplished
 - Focus on the critical few. No single manager should be responsible for more than ten performance measures, and no single organizational unit should have more than twenty.
- Targets: specify the desired level of performance
 - Targets should be specific, measurable, ambitious, realistic and time-bound (SMART)
- Actuals: indicate the actual or current level of performance

TO IMPROVE PERFORMANCE, A GAP ANALYSIS OR A PROCESS IMPROVEMENT CAN BE INITIATED BY A PROGRAM MANAGER:

- Gap analysis: determines the difference between targeted and actual performance levels
- Process improvement: analyzes the steps taken to produce a product or deliver a service and identifies opportunities for improvement

WE BELIEVE THAT:

- The goal of strategic planning is to improve performance
- Strategic plans are more effective when they are developed by the employees who will be responsible for carrying them out
- The planning process is more effective when decisions are made by consensus
 - Individuals may not totally agree with the decision, but can live with it.
- The BSC is more effective when it is integrated with Individual Development Plans (IDP's) and with the annual performance appraisal process
- The BSC is consistent with applicable federal and state guidelines including AASHTO's and FHWA's views regarding performance-based funding
- The strategic plan meets the Governor's requirements and supports the various budgets
- There is an important difference between outcomes and outputs, and that outcome measures are preferable, but that outputs are acceptable
- Lead performance indicators are as important as lag indicators, but that a preponderance of lag indicators is acceptable