STRATEGIC PLANNING

AFOA
BRITISH COLUMBIA

FIRST NATIONS FINANCIAL CODE TOOLBOX

ABORIGINAL FINANCIAL OFFICERS ASSOCIATION OF BC FINANCIAL MANAGEMENT AND ACCOUNTABILITY PROJECT

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INTRODUCTION

Strategic planning and accountability activities have been around for a long time. Individuals and organizations constantly look for new and innovative ways to improve what they do in these areas. Some are more active at planning and more sophisticated in their approach than others. Strategic management has been thrust into the spotlight in the last decade, as individuals and organizations realize that their success is often linked to results from enhanced activities in this area. Despite the success of strategic management, some organizations have yet to invest in related education and training that is necessary so that strategic management can succeed. Some think strategic management is nothing but strategic planning. Others think they have strategic plans, and accountability is being met. Others don't realize strategic management is part of their job. Understanding what strategic management is all about provides an opportunity to make improvements in planning and accountability activities.

The private sector has slowly latched on to the concept of strategic management. Many larger organizations such as IBM, 3M, Kodak and Xerox have been active in this area for some time. The not-for-profit sector, other than some health facilities, schools and municipalities, has not taken advantage of strategic management. Some claim they do not know much about it, have no time for another "fad", or know about it but cannot get around to doing something.

This publication will inform those in First Nations leadership positions about strategic management and accountability, and highlight some practices that will assist in improving the quality of First Nations' activities in planning and accountability.

Information is presented in five sections:
1. Provides an introduction and addresses the current situation.
2. Looks at accountability and related issues.
3. Provides information on strategic management.
4. Examples and best practices are presented.
5. Includes sources of information to provide additional knowledge for those wishing to examine topics further.

This publication was based on the writing of Jim Pealow, MBA, CMA, CAFM. Jim is Managing Partner of AMCES and is also Special Projects Consultant with the Aboriginal Financial Officers Association of Canada (AFOA).

BACKGROUND

The Assembly of First Nations and the Certified General Accountants Association of Canada developed a partnership that established an Accountability Project. The prime goal of the partnership was to raise the accounting skills and standards of First Nations, building essential foundations for the implementation of self-government. A Working Group of First Nation financial management and auditing practitioners from across Canada was formed to support the work of the project. This group examined accountability, especially financial accountability issues. It set two ambitious objectives:

1.   Develop an integrated and accessible network of financial management and accounting training programs specifically designed to meet the needs of Aboriginal financial managers and officers; and

2.   Determine appropriate and acceptable accounting and reporting standards and financial reporting practices for First Nations to strengthen accountability to community members.

During examination of accountability issues and activities, Working Group members identified the need to expand strategic planning education and training if accountability in First Nations is to be improved. It was this need that generated the idea to develop an informative publication that would provide a learning tool to develop competency in understanding planning and accountability.

Like financial management, communications, member participation and leadership, strategic planning is one of several key factors linked to accountability. In fact, strategic planning is the first step in setting up a solid accountability framework. If the planning step is not dealt with first, accountability issues will likely arise. Issues are often tackled with band-aid solutions but, despite the band-aid, problems tend to recur after a period of time. This is because the root problem or cause has not been addressed. Accountability problems or issues are effects which can often be traced back to the root cause, which is an ineffective planning process.

Strategic planning policy and process have significant influence on the level of accountability. That link is explored in this publication.

LEARNING OBJECTIVES

By using the information in this publication, organizations and affected personnel will be able to:

1.   Gain a better understanding of accountability and how it benefits an organization

2.   Understand the relationship between accountability and strategic management

3.   Gain a better understanding of strategic management and how it benefits an organization

4.   Assess strategic management activities in the organization

5.   Develop an accountability program

6.   Review strategic management examples and best practices

7.   Participate in strategic management activities

8.   Gain access to other relevant sources of information

CURRENT SITUATION – OPPORTUNITIES & CHALLENGES

There is currently considerable talk about "accountability." Everyone, including the government and members of First Nations communities, are demanding increased accountability from Chiefs and Councils.

Recent changes to funding arrangements and fiscal initiatives mean that Chiefs and Councils have been given increased responsibility. With this comes the need for greater accountability. In turn, accountability needs to be linked to specific directions and desired results. These are usually provided for in a strategic plan.

In 1996, a report from the Auditor General of Canada noted that almost one third of First Nations and tribal councils were in financial difficulty. Parliament appropriates more than $4 billion annually to Indian and Northern Affairs Canada (INAC) to fund programs for First Nations communities. Programs include social assistance, education, capital facilities, housing and economic development for approximately 600 First Nations and other Aboriginal groups.

INAC reported that it had received over 300 allegations relating to 108 First Nations during the two-year period prior to the 1999 follow-up report. Allegations related to such matters as social assistance issues, mismanagement of funds and other concerns. According to the government, this number is actually a conservative estimate.

Allegations can be reported for frivolous or politically motivated reasons. On the other hand they can be legitimate and have serious consequences for an entire departmental program, for First Nations members, and for living conditions on reserves. They may reflect criminal activity or simply managerial negligence without intent to deceive. Serious allegations that are proved can impair the relationship between First Nations and the government. Many allegations indicate the need to improve financial management capacity for First Nation organizations. This improved capacity includes the areas of planning and accountability.

Several initiatives are underway to improve financial management capacity. One key initiative is the establishment of the Aboriginal Financial Officers Organization (AFOA) of Canada and its affiliated chapters throughout Canada.

AFOA is a professional organization exclusively serving the needs of individuals working for, or aspiring to positions with First Nation organizations. It is responsible for providing training, certification and professional development opportunities in financial management. It is committed to excellence in expanding financial management capacity for aboriginal organizations. AFOA offers a Certified Aboriginal Financial Manager program that leads to a professional designation, the Certified Aboriginal Financial Manager (**CAFM**). Strategy and Decision Making is one of the courses in the program, and its content addresses planning and accountability.

The financial function is changing to reflect the changing roles of First Nations. Financial managers will need to spend less time on transaction processing and control, and more time on decision support activities. They need to learn to benchmark and keep learning to stay abreast of new financial and management developments.

Another key initiative involves the Government of Canada planning to improve accountability and other administrative activities through legislative means.

Currently, the government supports the idea of Aboriginal self-government, but there is a perception in the public's eye that most First Nations organizations are not ready for such responsibility. Industry Canada, specifically Aboriginal Business Canada, has reported a lack of apparent success with many of its programs. The media tends to focus on isolated unsuccessful ventures and these reflect poorly on everyone. Some media reports quote individuals as saying there is a need for more leadership accountability. It is rare to find a positive story on First Nations activity. The Aboriginal Financial Officers Association is potentially good press in that its members will play a key role in supporting self-government and business development initiatives and providing support to implement improvements in planning and accountability.

New fiscal arrangements, the push for self-government, accepting new responsibilities and overcoming negative perceptions and realities are just some of the challenges facing First Nations. Change is required in accountability and planning activities to meet these challenges. First Nations communities themselves would like to see improvements in plans and accountability practices. *People want to know in what direction Chiefs and Councils are heading and what they hope to accomplish.* With this information they will be able to measure progress and satisfy some of their accountability needs. This publication will provide information on how to enhance accountability through direction setting and reporting.

THE LINK BETWEEN ACCOUNTABILITY AND STRATEGIC MANAGEMENT

To meet the accountability needs of an organization, good management and strong planning knowledge and skills are necessary. This publication is about strategic management. Strategic management includes strategic planning and the link to accountability so that either Chief, Council or staff members, can provide the greatest benefit to the community. Accountability and strategic management are examined in more detail later, but first it is good to have an understanding of the relationship between the two.

Leadership may have developed the most ingenious strategy ever, but it means nothing if stated goals are not achieved. The better conceived an organization's strategy, and the more competently it is executed with accountability and measurement, the more likely it will succeed and please the community.

Strategic management and accountability are tools. They are used to make sure the right things get done, and that they are done properly. Accountability also helps to identify things that should not be done. Strategic management will ensure that programs are developed in the communities' best interests and within capabilities.

By taking ownership for accountability both individuals and the community can protect themselves from financial risk. To truly benefit a community, decision makers need to analyze how things are a) planned, b) managed, and c) evaluated. They then need to be willing to make improvements to these three critical areas.

STRATEGIC MANAGEMENT

WHAT IS STRATEGIC MANAGEMENT?

How can you lead if you don't know here you are going?

George Newman

> *Strategic management* **can be defined as the art and science of formulating, implementing, and evaluating cross-functional decisions that enable an organization to achieve its objectives.**

This definition clearly describes the heart of strategic management. Strategic management focuses on integrating all organizational activity for the purpose of achieving success. It can be viewed as a formal planning process that allows a First Nation to pursue proactive rather than reactive strategies.

Leaders may have an idea as to where their First Nation is going, but do not know how the people they work with view the future. In addition, leaders may not always have a clear picture of the environment in which the First Nation operates, and therefore may not be able to assess the implications this environment holds for the future. Leaders must provide direction in their daily activities. This points to a need for strategic management.

The concept of strategic management embodies a process to support or maintain a proactive organization. That process is often contained within a model supported by policy and procedures. An example of a policy and supportive procedures is provided in the Tools, Examples and Best Practices section. The strategic management process is often described as **dynamic and continuous.** There is no guarantee of success. However, if the model and processes are followed faithfully, better-than-average results occur. Some organizations believe they would not be in business today without strategic management.

Taking the time and resources to establish a strategic management model is considered a valuable investment, given the benefits that are realized.

THE STRATEGIC MANAGEMENT MODEL

The strategic management model consists of three stages:
1. **Strategy formulation (Strategic Planning)**
2. **Strategy implementation (Business Plan)**
3. **Strategy evaluation**

Below is a more detailed view of the Strategic Management model. By following this model, a First Nation should be able to successfully facilitate its strategic management process. Note that feedback, in this case, also provides a system for accountability.

Feedback

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Internal
Audit
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| Establish Vision, Mission, & Values | Establish Goals & Critical Success Factors | Generate & Select Strategies & Performance Measures | Establish Policies, Action & Budgets | Allocate Resources & Do It! | Measure and Evaluate Performance |

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External
Audit
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Strategy Formulation   Strategy Implementation   Strategy Evaluation

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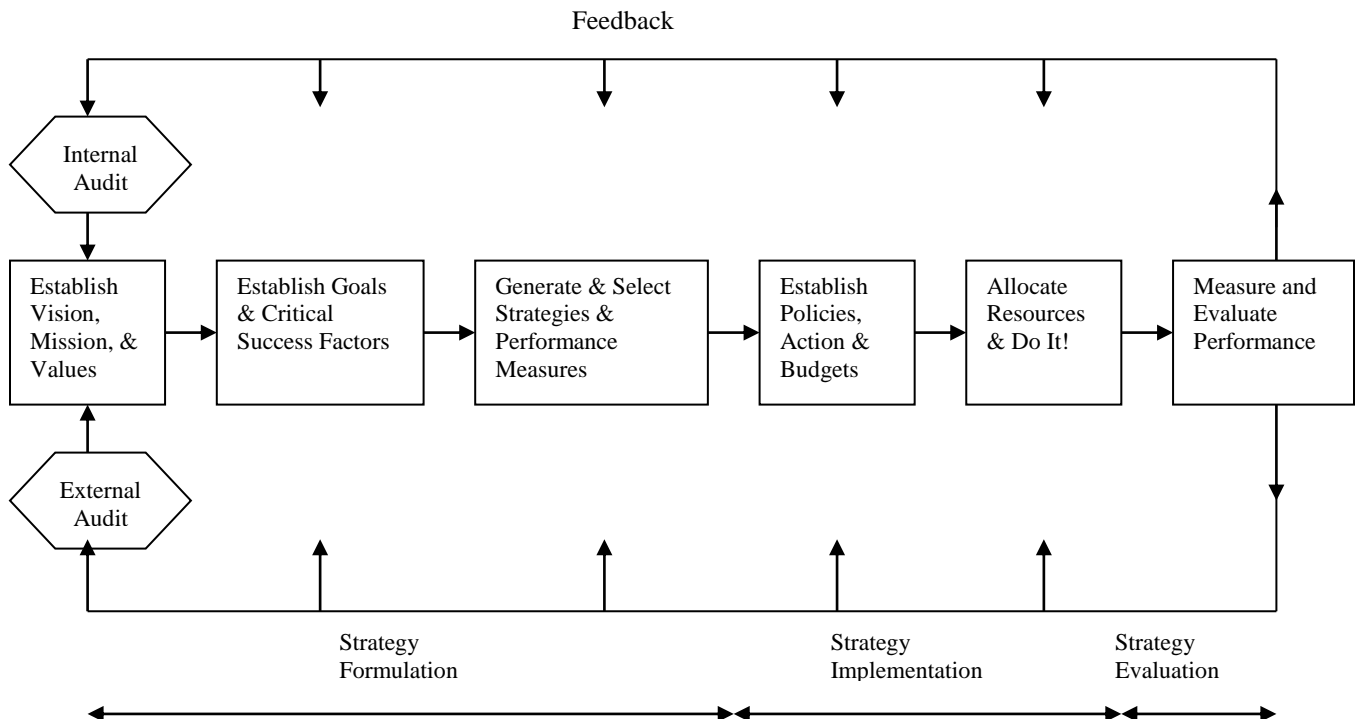
Benefits of Strategic Management

- Innovative and creative activity is encouraged
- The change process is made easier
- It helps align individual effort with the organization and improves communications
- Decision makers are better informed; better decisions are made and there is an effective use of resources
- Greater understanding, commitment and co-operative approach towards problems and opportunities are generated
- Threats and opportunities are clarified
- The structured approach helps make better strategies

STRATEGY FORMULATION (STRATEGIC PLANNING)

Strategy formulation includes:
1.   Developing a vision and mission;
2.   Understanding the values to be applied;
3.   Determining internal strengths and weaknesses;
4.   Identifying opportunities and threats;
5.   Understanding issues and critical success factors (goals);
6.   Establishing long-term objectives (willed future); and
7.   Generating possible strategies and selecting strategies to pursue.

Strategy formulation requires an answer to the questions, "What is our purpose?" and "What do we want to do?"

First Nations usually have limited resources, and selecting the best possible strategies also requires an answer to the questions, "What could we do and what are we able to do?"

Most First Nation organizations engage in some form of planning, but not necessarily at the strategic level. Typically planning focus tends to be on programs and services and related budgets. But it is necessary to step back and determine if the current programs and services are, in fact, priorities. It is possible for a First Nation to spend a considerable amount of time and resources polishing a program that may be low priority in terms of community needs.

Among all the things the Chief, Council and staff do, nothing affects the First Nation's ultimate success more fundamentally than how well its leaders plan for the long-term, develop effective strategies and implement what needs to be done internally to produce results. Good strategy, as well as its execution and evaluation are the key ingredients of good strategic management.

Strategic planning is "a continuous and systematic process where people make decisions about intended future outcomes, how these outcomes are to be accomplished, and how success is to be measured and evaluated."

Work in strategy formulation is often referred to as strategic planning. For the purposes of this chapter we will use the term strategic plan(ning) rather than formulation. A strategic plan is a declaration. It outlines strategic direction statements, short-term and long-term performance targets, and the methods used to achieve these targets. Strategic planning offers a systematic means of analysing the prospects for a First Nation. It helps in charting a long-term course of action.

The main objective of a strategic plan is to strengthen the decision-making process by addressing key **internal and external challenges**. As a result, it improves organizational performance and serves as the foundation for future management actions. It is a way for a First Nation to adapt its services and activities to meet the changing needs of the community. Having identified and defined the proper strategies for key programs and services and the First Nation as a whole, it may be necessary to revisit or redefine the **mission and vision statements**.

The Perils of Not Planning

In the absence of strategic planning, these misfortunes often overtake organizations:

- **Lack of institutional memory**. Repeated turnover of leadership results in constantly shifting priorities and agendas. Because the organization is constantly being reinvented, its mission remains vague and little agreement is found on vision, goals, and objectives.
- **Lack of organizational definition**. Confusion exists about the varied responsibilities of Chief, Council and staff, as well as their relationships to one another and to members.
- **Budget-driven decisions rather than needs driven.** When no clear vision or sense of direction prevails, leaders tend to base decisions on budgetary, rather than strategic considerations.
- **Crisis-driven management**. Many organizations tend to be reactive instead of proactive. They don't have an effective, formal strategy in place for anticipating and preventing crises or undesirable developments, or for coping with them once they occur.
- **Shifting priorities.** These are a natural consequence of the lack of vision, mission and purpose.
- **Membership restlessness or dissatisfaction.** If the First Nation has no common vision of the future and no clearly defined, generally understood mission, goals, and objectives, continual quarrelling will occur over what direction programming should take. Members may not know what to expect in return for the dollars invested.

STRATEGY PLANNING PROCESS CONSIDERATIONS

1.   Identification of Beliefs and Values

A defined set of beliefs and values will help set the stage for establishing the organization's vision, mission and direction. The identification of beliefs and values is best accomplished by key stakeholders. Beliefs and values usually relate to social or public responsibility and standards of service to members. A statement of values should be developed collaboratively with, and communicated to all stakeholders because strategic planning, including development of vision and mission statements is not about "hot issues." It is about clearly thought out long-term sustainability based on key beliefs and values.

2.   Identification of Issues

Key issues should be identified and narrowed down to a manageable number. This allows a First Nation to direct its focus and prevents the spreading of resources too thinly. Some First Nations take a short cut and base all their strategy on current "hot issues." This can be dangerous. Once the First Nation's core values and key issues have been articulated, these can be used as the basis for establishing a vision statement to provide far-reaching direction. From that a mission statement can be developed to provide direction in support of the vision.

3.   Developing a Vision Statement

The vision must be developed by and reflect the values of key stakeholders. The <u>vision</u> will influence the mission. The <u>vision</u> provides the focus for developing and revising products and services. The <u>vision</u> is based on current and anticipated needs of stakeholders, trends, and issues in the environment. It must be communicated on a regular basis, as it will drive the mission and the organization. The vision statement is often a single sentence or key words that are truly reflective of the First Nation's desired position.

Before developing a vision statement, the First Nation needs to conduct an external environmental analysis to understand the current situation, trends and issues. Members need to by surveyed to gain an understanding of what they are thinking. A First Nation is then able to consider possible opportunities and threats in terms of their vision. An internal analysis will also assist in clarifying their vision by looking at the organization's capacity. A picture has to be developed of what the future for the organization will be at a given point in time. If the picture is unacceptable, a desirable picture must be developed. It is this picture that should be condensed into a vision statement. A draft of the desirable picture can be circulated to members for input, as membership should be given an opportunity to participate.

Some of the common mistakes in developing a vision are:

(a)   Using words that few people fully understand;

(b)   Having a statement that no one can remember;

(c)   Trying to meet the needs of all potential stakeholders in a complex statement that has no real meaning;

(d)   Phrasing, not effectively communicating, what the organization stands for; and

(e)   Confusing mission and vision. Vision is meant to inspire, be easy to remember, focus attention, and be "top of mind."

4.   Developing a Mission Statement

The <u>mission</u> provides direction to the First Nation. *It is the foundation for all planning to support the vision.* It encourages consensus, provides a standard for allocating resources, and sets the stage to translate purpose into action. A mission must be broad enough to allow for creative growth, be widely understood, distinguish the First Nation from others, and serve as a basis for evaluation and aspiration. The mission usually defines the purpose of the First Nation, recognizes stakeholders, indicates their needs and the products and services offered, and implies the image the First Nation seeks to project.

The mission is developed with and communicated to all key community stakeholders. It is important to ensure that all stakeholders are involved in the development have relevant training and suitable reference material. The mission statement must be reviewed on a regular basis and revised as appropriate.

Whereas the vision deals with what is possible and desirable, the <u>mission</u> is associated with behaviour and the present. While mission statements vary, basic components include the "who, what and why" of services. Additional components, such as a concern for public image, employees, sustainability and growth, markets and technology are now also often included in mission statements.

Mission statements need to be realistic. Council is responsible to ensure that resources are assigned and available to fulfill the mission.

Common Mission Statement mistakes:

- A statement that no one can understand;
- A statement expressed in overly technical language;
- A statement that does not fully describe (simply) the First Nation's work;
- A statement with too many details; and
- A statement that does not reflect what others see being done in the First Nation.

Developing and Selecting Strategies to Move the First Nation to its Future

Examples of strategies include, but are not limited to, developing or abandoning programs and/or services, increasing housing, developing new jobs, resources and independence.

Strategy is normally developed to meet a First Nation's willed future - for each of its business/program areas or its mission and goals. Strategy states what is to be achieved. It is usually measurable and should be understood by community members. The clearer the strategy, the better the focus, coordination and standards for performance. Strategies should always relate to the First Nation's critical success factors/goals. The target or performance level for strategies must be both practical and reflective of resource realities. A time period should be part of a strategy statement, linked to rewards. By incorporating rewards, the First Nation builds motivation into its strategies and "buy in" for its members.

Identifying and developing strategy requires creativity, innovation and difficult choices. It means dealing with change and all its related effects. Making sure the right strategy is selected is critical.

One approach to identifying strategy is to use the SWOT (Strengths, Weaknesses, Threats and Opportunities) information to establish specific strategy. This can be done by:

1.	Matching Strengths with Opportunities so the strengths can be used to take advantage of opportunities;
2.	Matching Weaknesses with Opportunities so weaknesses can be overcome by taking advantage of opportunities;
3.	Matching Strengths with Threats so strengths can be used to avoid threats; and
4.	Matching Weaknesses with Threats to minimize weaknesses and avoid threats.

Identifying Strengths and Weaknesses

A First Nation needs to be aware of strengths and weaknesses in all key business areas. Information on past and present performance is required. This information is obtained through research, which is used to gain an understanding of the needs of members and other stakeholders. Surveys or focus groups can be used to obtain the necessary information. The gathering process must be frequent and simple. Understanding strengths and weaknesses, as perceived by stakeholders, will allow the First Nation to identify problem areas that need improvement. It also allows the First Nation to build on its strengths. Research information usually addresses service quality, pricing, value, delivery, requirements for new programs and services, or needed changes. Some organizations use standards or internal-audit checklists in determining specific strengths and weaknesses for each key business/program area.

Identifying Opportunities and Threats

First Nations need to be aware of opportunities and threats in the external environment. The task of identifying these is often neglected. As a result opportunities may be missed. When reviewing the external environmental, analysis of trends and issues beyond the First Nation's direct control need to be identified and considered.

The analysis focuses on changes in economics, demographics, cultural or sociological patterns, political climate, technology, and competition. There are various methods of analyzing opportunities and threats. One way is to look at the information in terms of its impact on the First Nation's vision and mission, performance indicators, business areas and related programs and services. The First Nation can then formulate strategies to take advantage of opportunities or avoid/reduce the impact of threats.

Some organizations tend to bog down in planning efforts while others excel. One of the differences has been the use of an outside facilitator, who can bring impartiality, focus and the skills needed to balance differences of opinion. Once strengths, weaknesses, opportunities and threats have been identified, the organization, with or without the aid of an outside facilitator, can move to the development of goals and critical success factors.

Goals and Critical Success Factors

First Nations establish <u>goals</u> to support their mission statements and provide direction for the development of strategies after they have done a careful SWOT analysis. <u>Goals</u> are strategic and long-term. They apply to the entire organization. They are often selected only after consideration of the strategic gap between the current situation and the willed future. Goals can be established on the basis of the organization's critical success factors and its willed future. Critical success factors are those elements that must take place for the organization to succeed and meet the performance expected by stakeholders.

A goal could be for example, a performance target relating to stakeholders (e.g. a satisfaction level with the provision of a relevant municipal services, or percentage of members not on a housing waiting list).

Common mistakes:

1. Establishing too many goals;
2. Establishing un-measurable goals; and
3. Selecting goals that are too easy to achieve and not stretching beyond what is already happening.

In Conclusion

Strategic planning forces tough choices. A First Nation cannot do everything or serve everybody. It needs to focus on important areas and not go in too many directions at once. If a First Nation clearly articulates its vision and mission; identifies it strengths,

weaknesses, opportunities and threats and then establishes realistic goals and critical success factors, it will reap the benefits of its investment in planning.

A single person should never attempt to do strategic planning. A team environment with input from all parts of the organization is essential. Many strategic issues cut across traditional functions and programs, partly to tap into the ideas and problem-solving skills of people with different backgrounds, expertise and perspectives, and partly to give a greater number of people an ownership stake in the strategy that emerges and win their wholehearted commitment to it. By building a feeling of commitment towards the plan, there is an improved chance of success.

Strategic management must be a dynamic process and a First Nation should revisit its strategic plan from time to time. Technological change, government regulation, community expectations, financial positioning and other business and environment factors will be key elements in determining the frequency of strategic management review.

For further information on the planning cycle as part of the planning process, review the Planning Cycle section of the "Fiscal Planning Handbook." This publication is available from the Aboriginal Financial Officers Association of Canada or can be downloaded directly from this website - http://www.fnfp.ca/intro_bo.htm

IMPLEMENTING STRATEGIC MANAGEMENT

THE BUSINESS PLAN

Strategy implementation requires policy support for the selected strategies, appropriate tactics, objectives, and the necessary resources. First Nations are sometimes able to do strategic planning but run into implementation problems because of financial capacity, lack of supportive policy or employee/volunteer motivation problems. Strategy implementation usually requires a supportive culture, appropriate organizational structure, and readjustment of current activities. Strategy implementation is the action stage and is sometimes referred to as "Where the rubber hits the road." Everyone needs to be committed and understand the role they play in the success of the organization. Commitment will be achieved more easily if everyone participates in developing and understanding the strategy and what they must do to implement the strategy so that they can collectively get the job done.

The best way to support implementation of strategy is to develop a business plan, which is a consolidation of all programs and activities. The business plan can
1. Outline the strategies
2. Define related assumptions
3. Describe activities to support the strategies and
4. Determine performance indicators and financial information.

The plan also indicates who will do what and when.

For further information on the budgetary cycle as part of the planning process, review the Budgetary Cycle section of the "Fiscal Planning Handbook." This publication is available from the Aboriginal Financial Officers Association of Canada or can be downloaded from - http://www.fnfp.ca/intro_bo.htm

Business plans should be compatible with the mission, strategies and related performance targets. They are part of an accountability process. They are monitored and results are evaluated regularly. The philosophy applied to the development of business plans should be one of quality and continuous improvement.

Business plans are supported by policies that are used to assist with plan implementation. These policies should be put in place as soon as possible. The process for allocating human, financial, and other resources to the business plan should be based on strategic priorities. Ranking helps to prevent decisions that are based solely on politics and personalities. Establishing criteria to rank action is helpful and provides valuable direction. See the example in Tools, Examples and Best Practices section.

Key elements in strategy implementation are *flexibility, training, continuous improvement, policy, decision making*, and *problem solving.* If the process is easy to follow and not overly prescriptive, it can be *flexible.* It takes more time and effort to amend a 200-page business plan than one with 24 pages. Keeping it brief can be helpful.

Size can impact perception. Some people would rather hold off on new innovative tactics than go through the tedious process of submitting a revision to a long document.

Training requirements necessary to implement the plan need to be assessed and arranged. Tackling a strategy or supportive action with updated knowledge and skills can increase the chances of the plan being implemented successfully. During implementation, attention needs to be given to the concept of *continuous improvement.* The following key question should remain at the forefront: "How can we do better?" All major organizational decisions and processes should address this.

Innovation is an important key in the problem-solving and decision-making process. It should be encouraged and rewarded. Problems or opportunities that are not covered in the plan sometimes arise. There is usually sufficient strategic direction in place to understand new situations and the priority they deserve. If a new strategy is required, it is sometimes advantageous to amend the strategic plan. If it is an additional tactical action, it may need to go through the decision-making process and, if approved, be added to the business plan.

Business plans are not meant to be totally prescriptive in nature. They should be directive. A lot of "how to" creativity and innovation is required and should be encouraged. Innovation should complement current and anticipated future requirements of the First Nation. In other words, anticipation is an important factor. This can be achieved in Council, committee and/or staff sessions in which scenarios are explored based on anticipated needs. For example, would strategic alliances in the area of tourism be a must in the future for First Nations? Any organization serious about successful implementation and innovation should have an expenditure account set aside for innovations, projects and rewards.

Encouragement of regular, continuous improvement reviews to support quality and provide ongoing training and development of programs is a valid tool. Training and orientation for key decision-makers should include the organization's problem-solving and decision-making processes and practices.

DEVELOPING POLICY TO SUPPORT STRATEGY

Most changes in a First Nation's strategic direction require *policies* to be put in place, removed, or amended to make strategy work. The policies will help guide the implementation of strategy. Broadly defined, policy often refers to specific guidelines, methods or procedures, rules and practices that have been formally established to support and align work toward the desired strategy.

Characteristics of Policy

1. Acts as instrument for strategy implementation
2. Sets boundaries, constraints and limits on action
3. Rewards and sanctions behaviour

4.   Indicates expectations for staff
5.   Serves as an element of control and
6.   Reduces routine decisions and allows for a greater span of control or delegation.

Policies may relate to high-end strategic decisions, control and operating decisions. Organization decisions that may require policy are:

1.   Offering or abandoning product or service lines
2.   Setting pricing levels and member fees
3.   Providing program and services for the membership
4.   Evaluating training events and employees
5.   Outsourcing activity or providing for in-house activity
6.   Reimbursing Chief and Council expenditures
7.   Setting a public policy position and
8.   Determining behaviour expectations of Council and/or staff.

DEVELOPING STRUCTURE TO SUPPORT STRATEGY

Changes in strategy will often require alterations to the way in which an organization is structured. For example, a First Nation with many members off reserve may need to have committees or representation in other locations to serve those members. If a First Nation decides to add services in economic development, it may require a new committee and staff support to be established.

If a strategy shifts the allocation of resources, the structure will change based on the movement of resources. Often, resources are directed toward new opportunities or problems that impact on the First Nation's performance. For example, if youth enrolments in education courses are down, and if a high level of enrolment is a priority, more resources may go into increasing participation. This may require a shift in funding from some other program budget, or new revenues may need to be generated to support the strategy to enhance marketing activities.

The optimal structure that reflects the organization's unique strategy will be needed. What may be appropriate for one First Nation may not be for others. As a First Nation grows and its strategy becomes complex, so will the structure.

A First Nation can quickly become ineffective unless a new structure is established to support the new strategy. The downtime in making structural changes needs to be minimized, as change can divert focus and reduce productivity, programs and service levels to members.

While strategy influences structure, the reverse is also true. For example, too many levels of management, too many meetings attended by too many people, and too much time being spent solving internal conflicts will result in strategy being developed to change structure. Structural change is difficult and some strategies are avoided because they may require significant changes.

The type of organizational structure selected will vary based on specific organization strategy, resources and knowledge. As First Nations become more focused on quality of services for members, the choice of structure will be determined.

STRATEGY EVALUATION

EVALUATION BASICS

Strategy evaluation provides the opportunity to assess how well strategies are doing and is important in terms of **supporting accountability**. See page 27 for detailed description of accountability. Measuring performance to the goals that were set beforehand allows the assessment of progress. It also identifies areas where corrective action is necessary. Trends upon which the original strategies were developed change and, therefore, evaluations are required on a regular basis to assess impacts. There may be a need for abandonment, adjustment or development of new strategies.

First Nations need to establish a formal process to evaluate strategy. Since strategic direction is usually long term, a poor strategy can seriously influence a First Nation's health. Therefore, timely and effective evaluations to identify problems or potential problems are critical.

Strategy evaluations:
1. Examine the underlying bases of a First Nation's strategy
2. Compare expected results with actual results
3. Take corrective actions to ensure that performance conforms to plans

Strategy evaluations can answer the following questions:

1. Have major changes occurred in the First Nation's internal strategic position?
2. Are internal strengths still strengths?
3. Have we added new internal strengths? If so, what are they?
4. Have identified internal weaknesses been dealt with?
5. Do we now have other internal weaknesses? If so, what are they?
6. Have major changes occurred in the First Nation's external strategic position?
7. Are external opportunities still opportunities?
8. Are there new external opportunities? If so, what are they?
9. Are external threats still threats?
10. Are there new external threats? If so, what are they?
11. Has the First Nation progressed satisfactorily toward achieving its stated strategies?
12. Is the strategy consistent internally and with the external environment?
13. Is the strategy appropriate in view of available resources?
14. Does the strategy have an appropriate time framework?
15. Does the strategy involve an acceptable degree of risk?
16. Is the strategy workable?

Based on the response to each question, a First Nation may either take corrective action or continue on its present strategic course.

Strategy evaluation must be effective. The process must be economical and timely. Information cannot be too little or too much. The evaluation should focus on and relate to strategy and performance indicators. Keeping evaluation simple and useful is the best approach.

Evaluation of the planning process itself is an important requirement. Some key points that need to be addressed in a planning process review should include:
1. Commitment levels
2. Consistency in decision making
3. Provision of resources
4. Communications
5. Internal co-ordination
6. Reward systems
7. Complexity and formality of the planning process
8. Problems with the planning process
9. Identification of areas of improvement
10. Information sources meeting requirements to make decisions and
11. Training required to support process improvements.

MEASUREMENT

Evaluation requires measurement of results. How do we know if we are achieving desired results? The reporting must be linked to strategy implementation and strategic statements.

Accountability in a First Nation requires that a record be kept of the organization's activities. Accountability has taken on a new meaning as Members and Council seek more value for money. Greater communication on key performance indicators is necessary to meet increased accountability requirements. Traditionally, most Councils focus on financial reports, but these alone are not enough to determine the results of a First Nation using a proactive planning process. Most important strategies and business plan *"how to's"* can and must be measured. Targets must be established. They are usually referred to as key performance indicators: tools that satisfy accountability and measurement requirements.

The framework for measuring results should relate to stakeholder requirements. Different measures are required for each part, level and activity of a First Nation. Measurement attempts to confirm that an organization has achieved what it set out to do. Measurement should be simple, or it may take longer to measure something than it actually takes to do it. The measurement must be readily understood, consistently developed and applied, and be tied to the evaluation and reward system.

IMPLEMENTING STRATEGIC MANAGEMENT

It is often useful to use a facilitator when beginning to implement a strategic management process, and seeking to create a partnership environment for the stakeholders. A facilitator challenges a group, brings the planning team closer together, and strengthens individual commitment and ownership.

Training is also necessary to ensure that participants involved in the process are prepared and able to contribute. Preparation needs will vary, but should include an understanding of the First Nation's history and strategic statements, internal and external operating environments, current issues, and how policy is developed. It is important that participants understand planning and the processes used, as well as understanding concepts such as strategic thinking, teamwork, creativity, and innovation. Training sessions should take place before the planning process begins. Planning groups with this type of preparation are usually excited and have a greater contribution to the planning process than those who enter into a planning process unprepared.

Some of the best practices used by non-for-profit organizations are contained in Tools, Examples and Best Practices section.

THE ROLE OF LEADERS

It is the responsibility of Chief and Council to develop and approve strategic direction. In the case of other First Nations organizations it is the Board or group with governance responsibility. To fulfill this responsibility, Chief and Council are often assisted by staff. This role reverses for the implementation of strategy or development and implementation of a business plan: staff prepares the plan to support the strategy and the Chief and Council approve the plan and monitor and evaluate progress.

The level of staff assistance provided, and Chief and Council involvement in the development of the business plan may vary based on several factors. Two are size of the organization and knowledge and skill levels of those involved. Staff plays a key role in ensuring the application of a strategic management policy and the continuity of the direction-setting process. If strategic direction setting is to be proactive, the staff needs to take a leadership role. With this in mind, the senior staff member is best equipped to provide orientation about related planning policy and processes to new members of Council, staff or others.

STRATEGIC MANAGEMENT AND ACCOUNTABILITY

If one believes in getting to the root cause of a situation, the focus will first be on strategic management. But, accountability and strategic management must go hand in hand if they are to be successful. The following explanation of accountability outlines its importance and contribution to the strategic management of a First Nation.

Accountability & Strategic Management Key Elements for First Nations

People	Processes
Policy	Property
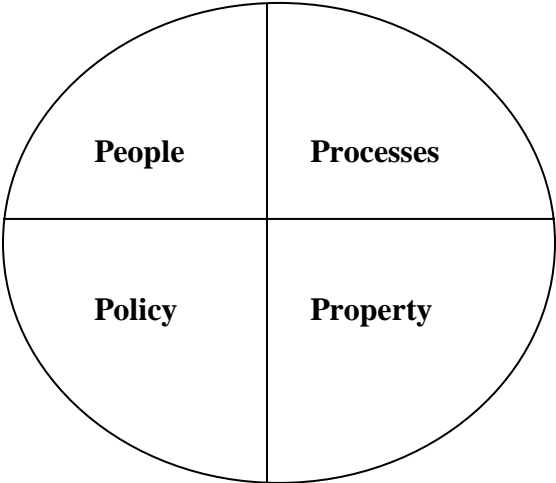
ACCOUNTABILITY

WHAT IS ACCOUNTABILITY?

Accountability = Responsibility	Put simply, accountability means the same as responsibility – responsibility to a person or group of people. Accountability is used to make sure people do the things they should, and don't do the things they shouldn't.

Accountability is not a new idea but unfortunately it is often neglected through a simple lack of attention to communications. The importance of accountability cannot be overestimated. Corruption, fraud, theft and apathy cannot be tolerated. By developing and maintaining an accountability policy and program, an organization will be taking important steps to ensure a positive future for individuals, the community and the organization. Accountability programs can be surprisingly easy to implement. Different types of accountability will be reviewed here, as will an examination of some methods for introducing accountability policies, related to organizations' strategic objectives.

TYPES OF ACCOUNTABILITY

There are different types of accountability. Four types are specifically relevant to First Nations:

1. **Political/Managerial**
2. **Program or Administrative**
3. **Fiscal**
4. **Individual Stakeholder or Member**

The first three types will be dealt with. The accountability of a member or stakeholder in terms of their community or organizational responsibilities requires further debate and examination, and is not covered in this publication.

1. Political and Managerial Accountability

Political accountability is the need for political leaders to work ethically, in the best interests of the citizens they represent. "Among the diverse traditions of First Nations, there is a variety of customs and practices for ensuring the political accountability of First Nations leaders to the community. Elections, traditional governing practices, and open community meetings are some examples." Aboriginal

"Traditionally, there were checks and balances that were functional and appropriate for the Anishnabek. The leaders were servants to the people and upheld the values that were inherent in the community. Accountability was not a goal or aim of the system; rather it was embedded in the very make-up of the system."

Union of Ontario Indians Brief to the Royal Commission on Aboriginal Peoples (1993)

governments and institutions should be fully accountable to their citizens for all decisions made and actions taken.

Likewise, managers must be ethical and accountable to their employees, customers, members and other stakeholders. Beyond political representation, managers are accountable for all aspects of running an organization, from managing spending to the overall success of the enterprise/program.

2. Program or Administrative Accountability

Any organization undertakes its various projects and duties. To ensure the efficient day-to-day operation of an organization and to prevent project failure, program and administrative accountability policies should be developed and implemented. This can often be accomplished by using performance measurement to accommodate accountability requirements.

3. Fiscal Accountability

The Aboriginal Financial Officers Organization of Canada encourages its members and many Aboriginal organizations through education and training to assess their accountability practices and develop fiscal by-laws, policies and systems based on the principles of transparency, disclosure and redress. These principles are consistent with other governments in Canada, and are appropriate to traditions. Strong financial accountability practices that stress community information-sharing and the rights and obligations of stakeholders are essential. Financial accountability ensures that funds are being directed to the appropriate projects and are used for the purposes intended.

ELEMENTS OF ACCOUNTABILITY

Accountability programs must contain the following three elements to be successful:

- **Transparency**–Decisions and the processes of making decisions are open and transparent;
- **Disclosure** –Information on administrative policies and standards is readily obtainable by stakeholders; and
- **Redress** –Procedures for review, including appeal mechanisms are in place.

THE ACCOUNTABILITY CYCLE

Everyone is responsible for accountability: governments, corporations, the Assembly of First Nations, First Nations, organizations, and individuals. There is an obligation to ensure the integrity and honesty of representatives on a personal level and on behalf of the people they represent.

The issue of redress is especially important in organizations where the manager or Chief has considerable power. If the Chief or Council cannot be forced to comply with the

wishes of the community through fiscal, political or managerial practices such as audits, elections or termination of employment, redress cannot be taken. That is why it is essential to ensure that everyone in the organization is accountable to someone else.

Accountability Relationships for First Nations
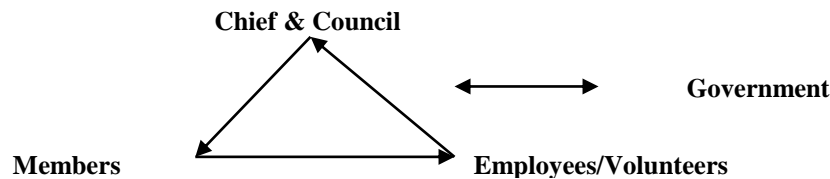
THREE MAJOR COMPONENTS OF AN ACCOUNTABILITY PROGRAM

In addition to the three elements of accountability and the accountability cycle, there are three major components to any effective accountability program:

1. **Planning and Performance Reporting**
2. **Policies and Procedures**
3. **Roles and Responsibilities**

1.   Planning and Performance Reporting

"How do you measure accountability?" It is a natural question to ask, but it is not so much accountability that is measured, but rather, whether the results that were planned were achieved? This is where planning and performance reporting comes in. Performance reporting starts with the strategic planning component of a strategic management model.

Establishing strategic direction and supportive business plans represents a firm commitment to making change and achieving specific performance within a given time frame. When strategic direction has been set, progress can be measured to the set strategies. Strategic direction may change as new issues arise, and therefore measurement requirements may need to change. Throughout the implementation of any business/program plan, reporting on successes and failures should occur on a regular basis. These reports should be shared with all those concerned. This is important, because it allows all to see where both successes have been achieved and where improvements can be made.

The steps to effective performance reporting:

(a) **Transparency**
The organization develops an Annual Strategic Plan and Business Plan; and includes all programs. It shares the information with stakeholders.

(b) **Disclosure**
The organization provides occasional detailed program evaluation studies, or other reports that relate to strategy and business plans. These report any successes or failures. They are available to stakeholders.

The organization prepares a Project Completion Report, an Annual Performance Report, regular Activity Plan Reports, or an Annual Financial Report. These reports are available to anybody who is interested in them. They can also be used as guidelines when other people try similar projects.

(c) **Redress**
The organization holds consultations with stakeholders to see if the targeted performance indicators or project are meeting expectations.

The organization hears concerns. If people are not comfortable voicing their concerns directly, the option to raise concerns confidentially is provided.

2. Policies and Procedures

Official policies regarding work procedures go a long way towards ensuring accountability. These should be developed with all affected stakeholders, improved if they are found lacking in certain areas, and posted so anyone can review them. It is important to provide an initial orientation to those being exposed to the policy and procedures or to those who have not been involved for several years.

The three components to any accountability program: transparency, disclosure, and redress, must be acknowledged for the following to work:

- Program Policies
- Administrative Appeal/Grievance Procedures
- Financial Administration Policies
- Access to Information Procedures
- Conflict of Interest Guidelines
- Code of Ethics
- Elections Code
- Community Consultation Procedures
- Contracts

3.   Roles and Responsibilities

For what is the organization responsible? **Organization strategic direction** is the key responsibility. This involves a regular review of the strategy and business plans. If the business plans do not match the organization's strategic direction or do not provide any recognizable benefit to the stakeholders, or detract in any way from the duties that the organization should be performing, the business plan needs to be adjusted and resources redirected.

By developing an **organizational structure**, committees and/or employees know to whom they report, and to whom they are accountable. Clear knowledge of these two points is critical. What is the Financial Officer responsible for? What duties should the project or department managers be performing to ensure the continued success of the organization? J**ob descriptions** that are accessible to employees help individuals know that they can be sure they are doing the duties that are required of them. Managers can then confidently use the job descriptions as a reference when doing employee evaluations. Job descriptions should be reviewed at least annually with input from the person who works the particular job. For First Nations, **Chief and Council portfolio responsibilities** should be clarified, documented and, just like the other Roles and Responsibilities devices, be made readily accessible to all stakeholders.

"Listening to community members' concerns and taking measures to correct the problem is the most important part of any accountability program."

By developing a First Nation's strategic direction, organizational structure, job descriptions and Chief and Council portfolio responsibilities with community members, the **transparency** requirement will be well established. By communicating them to all stakeholders and having them readily accessible for those who wish to review them, the **disclosure** requirement is met. Stakeholders can then monitor the quality of work accomplished. It is desirable that a First Nation have a system for **redress**. This may be a formal appeals process, an ombudsman or regular community meetings. It is important that community members' concerns are addressed. Letting members "have a say" is important to any accountability program. When members see that leadership is listening to their concerns and is taking measures to correct problems, accountability is working successfully. This experience gives members a sense of "ownership" over the progress and success of the First Nation.

PUTTING A PROGRAM IN PLACE

Accountability programs must be designed with a sole goal of ensuring the success of the First Nation. They should not put an unreasonable burden or constraint on anyone. Instead, accountability should become an everyday part of life within the First Nation. Accountability programs should be no less stringent than those used by other governments and institutions of comparable size. For example, financial records and statements should comply with generally accepted accounting principles, although they need not be identical in all respects.

> **"Developing & maintaining accountability programs is a team effort."**

Aboriginal governments and organizations must develop rules with respect to conflict-of-interest for both elected and appointed officials. **Conflict-of-interest rules must ensure that services that provide an opportunity for financial gain operate at arm's length from elected and appointed officials.** Within the basic structure of an accountability program regular audits from independent bodies should be detailed. This may involve hiring a consultant for the operational aspects of a First Nation, or hiring an auditor to review the fiscal operations.

A new accountability program will not be an immediate success. As with any new program, it will require continued attention and, (as with any change to the operation of the organization) there will be opponents to the plan. When the program is in place, if people are not fulfilling the duties of their job, there may be several good reasons: they require more resources to get the job done; they don't have the necessary knowledge and skills, or they need direction or the proper motivation. An accountability plan helps supervisors to identify such gaps and needs.

Accountability happens when leaders make it happen. The sooner checks and balances are developed, the sooner leaders can reap the benefits of accountability. Developing and maintaining accountability programs is a team effort on the part of staff and Council. Mechanisms to ensure political and managerial accountability must be developed, approved by a Council, reflected in plans, policy, procedures, and job descriptions. They must be openly shared with everyone connected to the organization. Mechanisms selected should be built into a strategic management model to ensure planning, implementation and evaluation activities are connected to the mechanisms. By sharing information on strategic direction and business/program plans and related accountability mechanisms, members of the community will let the leadership know when the First Nation is fulfilling its objectives. On the other hand it can let leadership know of any problems that need attention.

For further information on the accountability cycle as part of the planning process, review the Accountability Cycle section of the "Fiscal Planning Handbook." This publication is available from the Aboriginal Financial Officers Association of Canada or it can be downloaded directly from this website - http://www.fnfp.ca/intro_bo.htm

TOOLS, EXAMPLES AND BEST PRACTICES

The following examples and best practices are provided to assist First Nations in comparing current efforts and confirming those that are on the right track. They also provide insight into potential improvements.

List of Tools, Examples and Best Practices

1. **Strategic Management Questionnaire**
2. **Strategic Management Policy Example**
3. **Strategic Plan Example**
4. **Accountability Best Practices**
5. **Strategic Management Best Practices**
6. **Problem Solving and Decision Making Tool**
7. **Priority Setting Tool**
8. **Activity Plans**

1. STRATEGIC MANAGEMENT QUESTIONNAIRE

1.1 Strategy Formulation

1.1.1 Vision Statement

Has your First Nation articulated a vision for the organization? (10 -if YES   1 -if NO)

1 2 3 4 5 6 7 8 9 10

When was it last updated? (10 -if in the last year, 9 -if in the last 2 years, etc.)

1 2 3 4 5 6 7 8 9 10

Is the vision statement relevant to the organization's activities and mandate? (10 -for very relevant 1 -not relevant at all)

1 2 3 4 5 6 7 8 9 10

1.1.2 Mission Statement

Has your First Nation developed a mission statement? (10 -if YES   1 -if NO)

1 2 3 4 5 6 7 8 9 10

When was it last updated? (10 -if in the last year, 9 -if in the last 2 years, etc.)

1 2 3 4 5 6 7 8 9 10

Do you feel that your current mission statement is compatible with the activities being carried on by the organization? (10 -if YES   1 -if NO)

1 2 3 4 5 6 7 8 9 10

How would you rate participation in developing the mission statement by the:
(10 -very involved 1 -not involved at all)

Membership

1 2 3 4 5 6 7 8 9 10

Council

1 2 3 4 5 6 7 8 9 10

1.1.3 Understanding Values

Has your First Nation defined a set of value statements? (10 -if YES   1 -if NO)

1 2 3 4 5 6 7 8 9 10

When were they last updated of discussed formally? (10 -if in the last year, 9 -if in the last 2 years, etc.)

1 2 3 4 5 6 7 8 9 10

How would you rate the understanding of the First Nation's value statements (or values if formal statements have not been developed) by the:

Membership

1 2 3 4 5 6 7 8 9 10

Council

1 2 3 4 5 6 7 8 9 10

1.1.4 Strengths, Weaknesses, Opportunities and Threats Analysis (SWOT)

Has your First Nation conducted a SWOT analysis? (10 -if
YES   1 -if NO)   1 2 3 4 5 6 7 8 9 10

How would you rate the competencies of your First
Nation to conduct a SWOT analysis?   1 2 3 4 5 6 7 8 9 10

How would you rate the priority that your First Nation
places on the SWOT analysis process?   1 2 3 4 5 6 7 8 9 10

How would you rate the importance of the SWOT analysis
process to the effective operation of your First Nation?   1 2 3 4 5 6 7 8 9 10

Is a SWOT analysis employed when dealing with
significant issues outside of strategic planning? (Score 10
for regularly - 1 for never)   1 2 3 4 5 6 7 8 9 10

1.1.5   Understanding Issues that Influence the First Nation

How would you rate the understanding of issues that
influence the First Nation by the:

Membership   1 2 3 4 5 6 7 8 9 10

Council   1 2 3 4 5 6 7 8 9 10

Management Staff   1 2 3 4 5 6 7 8 9 10

Relative to the decision-making process, how would you
rate your First Nation's attention to issues that influence
the organization?   1 2 3 4 5 6 7 8 9 10

1.1.6 Establish Long Term Goals

Has your First Nation established long term goals? (10 -if
YES   1 -if NO)   1 2 3 4 5 6 7 8 9 10

How important is it to establish long-term goals for your
First Nation? (10 -very important   1 -not important at all)   1 2 3 4 5 6 7 8 9 10

1.1.7 Generate Strategies

Rate your First Nation's success/practice of generating
strategies to deal with issues.   1 2 3 4 5 6 7 8 9 10

How important is it to generate strategies to deal with
issues for your First Nation? (10 -very important   1 -not
important at all)   1 2 3 4 5 6 7 8 9 10

1.1.8 Selecting Strategies to Pursue

Does your First Nation select strategies to address issues
that confront the organization? (10 -if YES   1 -if NO)   1 2 3 4 5 6 7 8 9 10

Rate the importance of selecting strategic solutions to
address issues that confront your First Nation. (10 -very
important   1 -not important at all)   1 2 3 4 5 6 7 8 9 10

1.2   Strategy Implementation

1.2.1 Policy Support

Does your First Nation maintain a policy manual?
(10 -if YES   1 -if NO)   1 2 3 4 5 6 7 8 9 10

Are organization policies updated on a regular basis?
(10 -if in the last year, 9 -if in the last 2 years, etc.)   1 2 3 4 5 6 7 8 9 10

Rate the relevance of your First Nation's policies to
current organization activities? (10 -very relevant   1 -not
relevant at all)   1 2 3 4 5 6 7 8 9 10

Rate the understanding and support to formal policy
development and implementation by the:

Membership   1 2 3 4 5 6 7 8 9 10

Council   1 2 3 4 5 6 7 8 9 10

Management Staff   1 2 3 4 5 6 7 8 9 10

1.2.2 Financial Capacity

Rate your First Nation's financial capacity to implement
strategies.   1 2 3 4 5 6 7 8 9 10

Rate the commitment to providing financial resources to
support the implementation of strategic initiatives. (10 -
very committed   1 -not committed at all) by the:

Membership   1 2 3 4 5 6 7 8 9 10

Council   1 2 3 4 5 6 7 8 9 10

1.2.3 Motivation and Ownership
(10 if high – 1 if low)

Rate the motivation to maintain and support the
implementation of strategic initiatives by the:

Council   1 2 3 4 5 6 7 8 9 10

Management Staff   1 2 3 4 5 6 7 8 9 10

Rate the "ownership" taken to the implement strategic
initiatives by the:

Membership   1 2 3 4 5 6 7 8 9 10

Council   1 2 3 4 5 6 7 8 9 10

Management Staff   1 2 3 4 5 6 7 8 9 10

1.2.4 Council Support

Rate your Council's commitment and support to the
implementation of strategic initiatives.   1 2 3 4 5 6 7 8 9 10

Rate the performance of your Council as it relates to the
delivery of support to strategic initiatives. (as opposed to
"talking the talk")   1 2 3 4 5 6 7 8 9 10

1.2.5 Organizational Structure

Rate how appropriate the current structure of your
organization is to support the implementation of strategic
initiatives. (10 -very appropriate   1 -not appropriate at all)

                                                              1 2 3 4 5 6 7 8 9 10

Rate the effectiveness of your current governance model
as it relates to the implementation of strategic initiatives.
(10 -very effective model   1 -not effective at all)   1 2 3 4 5 6 7 8 9 10

1.2.6 Open to Change

Rate your First Nation's readiness for organizational
change. (10 -very prepared   1 -not prepared at all)   1 2 3 4 5 6 7 8 9 10

Rate the willingness to accept and implement change (10 -
very open   1 -not open at all) by the:

Membership   1 2 3 4 5 6 7 8 9 10

Council   1 2 3 4 5 6 7 8 9 10

Management Staff   1 2 3 4 5 6 7 8 9 10

1.2.7 Human Resources

Rate the human resource capability to manage and
implement a change process or new strategic direction by
the:

Membership   1 2 3 4 5 6 7 8 9 10

Council   1 2 3 4 5 6 7 8 9 10

Rate the competencies of your organization's staff to plan,
manage and implement strategic initiatives.   1 2 3 4 5 6 7 8 9 10

1.3   Strategy Evaluation

1.3.1 Assessment

Rate your First Nation's current practices as they relate to
the ongoing assessment of strategic initiatives.   1 2 3 4 5 6 7 8 9 10

Rate your First Nation's performance in communicating
assessment results to the:
Membership   1 2 3 4 5 6 7 8 9 10

Council   1 2 3 4 5 6 7 8 9 10

Auditors/Public/Others   1 2 3 4 5 6 7 8 9 10

1.3.2 Measure Performance

Has your First Nation developed a set of key performance
indicators or some other form of accountability to track the
success of strategic initiatives? (10 -for defined key
performance indicators   1 -no indictors defined)   1 2 3 4 5 6 7 8 9 10

Rate your First Nation's ongoing evaluation practices as
they relate to strategic initiatives. (10 -doing a great job on
a regular basis   1 -no evaluation occurs)   1 2 3 4 5 6 7 8 9 10

1.3.3 Identify Where Corrective Action is Necessary

Rate your First Nation's success at identifying corrective
action when strategic initiatives are failing or could be
improved.   1 2 3 4 5 6 7 8 9 10

Rate your First Nation's response time, after they
acknowledge that a strategic initiative is failing.   1 2 3 4 5 6 7 8 9 10

1.3.4 Moving Beyond Evaluation

Rate the attention paid to abandoning, adjusting or
developing new strategies subsequent to evaluation of the
initial strategies by the:

Council   1 2 3 4 5 6 7 8 9 10

Committees   1 2 3 4 5 6 7 8 9 10

Senior Staff Person   1 2 3 4 5 6 7 8 9 10

Management Staff   1 2 3 4 5 6 7 8 9 10

Rate the relevance and suitability of the strategic
management model to your organization.   1 2 3 4 5 6 7 8 9 10

Rate the commitment to Strategic Management as the
model of choice for your organization by the:

Council   1 2 3 4 5 6 7 8 9 10

Committees   1 2 3 4 5 6 7 8 9 10

Senior Staff Person   1 2 3 4 5 6 7 8 9 10

Management Staff   1 2 3 4 5 6 7 8 9 10

For those sections with average scores less than 7, consideration should be given to
making corrective improvements.

2.1 STRATEGIC MANAGEMENT POLICY AND PROCESS

2.1.1 Policy Objective

To provide direction regarding establishment and maintenance of a proactive strategic management policy and supportive process.

2.1.2 Policy Statement

The Council shall use a strategic management process to establish clear direction for all stakeholders, establish outcomes/ends, identify emerging issues, track situations, respond in a timely manner, and measure progress and results.

2.1.3 Policy Application

2.1.3.1 Responsibilities
Overall strategic management is the responsibility of the Council. Specific responsibilities are:

Strategy Formulation
Members
(a)   Provide comments on draft vision, mission, values and goal statements
(b)   Provide Council with information on external environment activity or issues that may affect the community
(c)   Review surveys to determine member expectations

Council
(a)   Develops a vision, mission, and values statements and approves statements after reviewing member input
(b)   Gathers information on external opportunities and threats
(c)   Determines internal strengths and weaknesses
(d)   Understands success factors and sets goals
(e)   Generates and chooses strategies to pursue and sets indicators of measurement
(f)   Advises members on strategies being pursued

Staff
Assists Council in the strategy formulation process through information gathering and analysis

Strategy Implementation
Members
Review information as to the progress in implementation of strategy.

Council
(a)   Reviews and provides input to the draft business plan, including the linking of actions to the strategies
(b)   Prioritizes and allocates resources to execute the formulated strategies through approving the annual business plan indicating who, when, what, how much and how strategies and actions will be measured
(c)   Develops and approves new policy to support the selected strategies and related actions
(d)   Selects the appropriate organizational structure and motivates volunteers and employees
(e)   Monitors staff and volunteer implementation of the business plan
(f)   Informs members of progress

Staff
(a)   Develops annual business plans indicating who, when, what, how much and how the strategies and actions will be measured
(b)   Provides policy development support for the selected strategies and related tactics
(c)   Identifies appropriate organizational structures and motivates employees and assists with motivating volunteers
(d)   Applies resources to plans to execute the formulated strategies
(e)   Alters administrative and operational practices and behaviour as required

Strategy Evaluation
Members
(a)   Respond to requests for information about program and service effectiveness
(b)   Review information on how strategy turned out

Council
(a)   Assesses how well strategies are doing
(b)   Measures performance to key indicators
(c)   Identifies areas where corrective action is necessary
(d)   Assesses impact of change subsequent to initial strategy implementation, decides about abandonment, adjustment or development of new strategies
(e)   Advises members on how strategy turned out

Staff
(a)   Records, reviews and reports progress of strategies
(b)   Measures and reports performance to key indicators
(c)   Identifies areas where corrective action is necessary
(d)   Makes recommendations regarding strategy about abandonment, adjustment or development of new strategies

The Chief and the senior staff members are responsible to ensure ongoing implementation of this policy.

2.1.3.2 Process Steps

Strategic Planning
(a)   Review results from current strategy evaluation
(b)   Gather information to assist with decision making (External Environmental Trends and Issues, Identify strengths, weaknesses, opportunities, and threats, identify member expectations, and identify issues to deal with)
(c)   Revisit vision, mission, values and goal statements and adjust if necessary.
(d)   Circulate revisions to membership for comment.
(e)   Approve new statements or revisions
(f)   Conduct a situational analysis for each key business area
(g)   Review prior period key operating indicators and results
(h)   Identify the willed future for each area
(i)   Identify strategies for each area to move toward the willed future
(j)   Prioritize the strategies and set indicators of measurement
(k)   Match the strategies to the Critical Success Factors/goals for linkage
(l)   Approve the strategic plan
(m)   Advise membership on strategic direction for the coming year.

Strategy Implementation
(a)   For each area review strategies and develop "how to" activities and provide human and financial impact information
(b)   Prepare a business plan based on existing and new activity
(c)   Develop operating indicators to assist in measuring the level of success for the actions supporting the strategies
(d)   Approve business plan
(e)   Prepare an activity plan summary for core groups and/or areas and allocate specific responsibility, timing and costs

Strategy Evaluation
(a)   Using activity plans and other reports measure performance to key indicators and assess how well strategies and business plan are progressing
(b)   Assess impact of change subsequent to initial strategy implementation
(c)   Identify areas where corrective action is necessary
(d)   Decide about abandonment, adjustment or development of new strategies for action now or during the next strategy implementation period

2.1.3.3 Schedule Application

(a)   Review results from Strategy Evaluation NOVEMBER
(b)   Develop next period strategic plan NOVEMBER
(c)   Present next period strategic plan to Council for approval DECEMBER

(d)   Develop the business plan to support strategic direction JANUARY
(e)   Present the business plan to the Council for approval FEBRUARY
(f)   Advise the membership as to strategic intent and supportive plans APRIL

Supportive Reports and Forms

(a)   Member survey - strategy
(b)   Member survey - evaluation
(c)   External Environment Questionnaire
(d)   SWOT Questionnaire
(e)   Activity Plans (Individual/ Group)
(f)   Strategy and Tactical Link
(g)   Strategy Evaluation Form
(h)   Key Performance Indicator Report
(i)   Reports to Council
(j)   Issues Identification and Progress Report

The following Draft Strategic Plan was developed by the Ucluelet First Nation's Council and senior management staff. This group of leaders recognized that it was critical for Ucluelet First Nation to establish desired direction that would help provide focus to their efforts.

A facilitator worked with the planning team. Two key sessions were held in which most of the work was completed. An interval of two months between each of the sessions allowed participants to reflect on the progress and get input from others. An election was also held between the sessions. Reference to the plan was made during the election. After the election there were some changes on Council. The old Council supported the direction in which the Strategic Plan was going. Session two involved the new Council, who also supported the direction and provided further elaboration on strategy. Consensus on the attached plan was achieved.

The information in the plan is not information provided by one or two individuals. It is based on the contribution of all members of the planning team. A strong level of commitment and participation prevailed during the sessions. The ownership of the plan currently lies with the planning team. They have been encouraged to share the final draft plan with the community and request input before final approval.

Ucluelet First Nation Strategic Plan

A. Introduction

The Chief, Council and senior staff have been engaged in enhancing the First Nation's strategic management activities. The expected outcomes of this effort are to:

- Establish clear direction with desired outcomes/ends and measure progress and results;
- Identify emerging issues, track situations and respond in a timely manner;
- Encourage innovative and creative activity;
- Make the change process easier;
- Align individual effort with the First Nation's effort and improve communications;
- Develop a greater understanding and commitment so that a co-operative approach is generated when dealing with problems and opportunities; and
- Ensure decision-makers are better informed, make better decisions and use resources effectively.

The planning team has met on two occasions to engage in strategy formulation sessions. During the sessions an information gathering process was undertaken. A professional facilitator assisted with the information gathering. Information was gathered through:

(a)   An External Environmental Scan that looked at political, social, economic, information/technology, First Nation trends and issues;
(b)   A listing of Strengths, Weaknesses, Opportunities, Threats;
(c)   A listing of Member Expectations; and
(d)   A listing of Key Issues.

Key elements of this information are listed in Appendix A. This information was used to identify a Vision for Ucluelet First Nation in 2010. The Vision paints a picture of what Ucluelet First Nation will look like once strategies have been successfully implemented and it has achieved full potential. This Vision reflects the aspirations and values of members. It provides direction for the future. This Strategic Plan supports the future Vision.

B. Strategic Statements

Ucluelet First Nation has a Vision for its community and members and the following statement captures its Vision.

VISION STATEMENT

Ucluelet First Nation will, with the active participation of our members, strengthen our spirit of community and improve the quality of life and opportunities for our members.

The Vision Statement captured in a short form could be expressed as:
 "Active Members Strengthen Our Community"

Given this Vision Statement the following Mission Statement to support the Vision was developed.

MISSION STATEMENT

Ucluelet First Nation strives to provide its members with responsible and relevant quality government, administration, health, education, recreation, cultural, economic development and municipal facilities and services to support members in their quest for a quality life style within a community that takes pride in its traditions and explores future opportunities.

The following goals were identified as critical if Ucluelet First Nation is to achieve its Vision and Mission. These are the things that must go right if we are to succeed. Other goals need to be pursued; the following are to be given top priority.

GOALS

1. *Have a strategic, business and community plan in place to deal with direction and all infrastructure, business, and land management issues.*
2. *Arrange for funding to support implementation of the plans.*
3. *Understand education needs and support access opportunities to meet local needs to allow development to occur in accordance with the plans (construction, maintenance, administration, and economic development).*
4. *Establish a destination resort that would provide employment opportunities for members and generate income for community services.*
5. *Encourage increased activity to provide education on traditions and cultural values with elders and youth.*
6. *Encourage members to be self-sufficient and get away from a dependence mentality.*
7. *Develop facilities for elders, recreation, culture, daycare, education and administration.*

In pursuing the Vision, Mission and goals, Council and Staff would apply the following values:

VALUES

1. *Responsibility for self, family and community*
2. *Honesty, trust and integrity*
3. *Pride in our land and traditions*
4. *Reliability and efficiency*
5. *Respect, dignity, empathy*
6. *Loyalty and commitment*
7. *Elders and the future of our youth*
8. *Knowledge and communications*
9. *Accountability*

C. Strategies
The following strategies have been developed to close the gap between the current situation and the vision to ensure the goals are achieved.

1. Have a strategic, business and community plan in place to deal with direction and all infrastructure, business and land management issues.

    1.1 Develop a strategic plan, obtain community input and formally approve the plan.
    1.2 Update community plan to reflect new strategic initiatives.
    1.3 Develop a business plan to support the strategic plan.

2. Arrange for funding to support implementation of the plans.

   2.1 Identify relevant funding sources, obtain expertise to pursue sources with creativity.

3. Understand education needs and support access opportunities to meet local needs to allow development to occur in accordance with the plans (construction, maintenance, administration, and economic development).

   3.1 Obtain information on training and development needs based on the strategic plan. Match requirements to potential learning sources and encourage member participation.

4. Establish a destination resort that would provide employment opportunities for members and generate income for community services.

   4.1 Authorize the Board to acquire the necessary project management expertise to update the feasibility study, set development and operating terms and conditions and seek joint venture partners for funding and management.

5. Encourage increased activity to provide education on traditions and cultural values with elders and youth.

   5.1 Identify and promote culture and traditions and establish a community-based initiative to use with elders to bridge the gap with youth.

6. Encourage members to be self-sufficient and get away from a dependence mentality.

   6.1 Identify practices used by other First Nations to develop support networks that have been successful and adapt to Ucluelet First Nation.

7. Develop facilities for elders, recreation, culture, daycare, education and administration.

   7.1 In conjunction with the development of the community plan, look at what facilities are needed and could be developed.

Conclusion

The Ucluelet First Nation has opportunities to further develop and meet the needs of its members. This strategic plan identifies priorities for the years 2000-2003. The opportunities in the plan will require changes as the strategic statements and strategies suggest.

The success of the strategic plan will depend on the management and sequencing of the implementation process, and the ongoing evaluation strategy. Progress towards the vision

has already been made. Continued efforts and commitment of members, Chief and Council and staff will guide the community through the changes necessary for the Ucluelet First Nation to fulfill its Vision and Mission.

Appendix A - Key Information from the Sessions

The first step was to look at the external and internal environment for Ucluelet First Nation.

External Environment

A review of the trends and issues in the areas of political, social, economic and technology identified the following opportunities and threats.

Opportunities
- Business opportunities are available in the tourism sector.
- Increase education and employment of members.
- Treaty settlement will allow for a reinvestment in the Ucluelet First Nation.
- Reduce government involvement.
- Improve communications through local radio.
- Rehabilitate the local environment.
- Acquire land for housing and facilities to serve members.
- Technological improvements will allow for greater education involvement.
- Retraining for older workers is available.

Threats
- People are living longer and an adequate supply of appropriate housing is not available.
- Health education and services are not increasing at a rate necessary to meet the demands of an ageing population.
- People have more time available for recreation and time is spent with technology toys instead of traditional family or outdoor activities.
- There is uncertainty with government funding and intervention.
- The community is behind in the use of technology.
- The media seems to report only problems, not the good things that are happening. The First Nation's perspective is not represented.
- Governments are moving to a user pay society and are being pressured to have taxation apply to First Nations.
- There is some uncertainty in treaty negotiations.

Internal Environment

A review of the key activities the Council is responsible for, or is involved in (housing, health, recreation, education, business and economic development, employment,

environment, services – water, security, governance and administration and spiritual and cultural) resulted in the identification of the following strengths and weaknesses.

Strengths
- The community provides good services such as fire, ambulance, water and septic system.
- The community is situated in an area that is surrounded by natural beauty.
- Proposals for funding are often approved.
- Opportunities to strengthen education activity are increasing.
- Opportunities to strengthen economic development are being sought.
- There is creative utilization of lands for housing.
- Activities to strengthen health education and services are increasing.
- Recreation and cultural activities are available.

Weaknesses
- Culture is not being promoted and embraced. Language skills are being lost. Teachings and spiritual practices are not adequately being passed on to youth.
- There is a lack of land and money to meet housing needs.
- There is a lack of training and investment to take advantage of economic opportunities.
- There is limited participation in area economic growth.
- There is a lack of facilities for recreation and cultural activity.
- There is a lack of good paying jobs for training members in the community.
- Members are not paying their debts to the Ucluelet First Nation.
- There is a lack of a strategic and community plan and supportive policies.
- There is a lack of infrastructure such as a store, post office, gas station, restaurant and ferry service to Ucluelet.
- There is a dependency by some members on the system/others.
- Financial management knowledge is weak.
- Communications are not always clear.
- There is some lack of respect among members for each other resulting in factions.
- Funding levels are not adequate to move the community ahead as fast as it would like.

Issues that exist in the community were identified.

Issues
- Are we out of touch with members?
- How can we improve communications?
- How can we improve accountability?
- What is needed to have a caring attitude for everyone in the community, not just the family?
- How can we reduce the use of alcohol and drugs?

- What needs to be done to increase commitment and motivation?
- How can member resentment and jealousy towards Council and Staff be addressed?
- Will longer terms on council improve continuity and decision making?
- How can we stop neglecting the environment and clean up the village and beaches?
- How can we develop support for staff and leadership?
- What do we have to do to apply the traditional values of elders?
- How do we get meaningful paying jobs?
- How do we get a multi-facility?
- How do we get housing to meet our real needs?
- How do we develop the skills to get the job done?

Possible expectations of members were identified.

Member Expectations
- Leadership
- Employment opportunities
- Housing
- Education and health services
- Cultural activities
- Basic municipal services
- Understand what is going on

Given the External and Internal Environment, Issues and Member Expectations, the next step was to identify a Vision for Ucluelet First Nation in 2010. The vision paints a picture of what Ucluelet First Nation will look like once strategies have been successfully implemented and we have achieved full potential. This vision reflects the aspirations and values of members. It provides direction for the future.

Description of the Vision

- Ucluelet is a healthy, drug and alcohol free community with some health services delivered in the community.
- People take responsibility for themselves and for their children.
- There is a resurgence of our language, culture and traditions. This is becoming the foundation of our success, as there is more sharing, elder involvement and transfer of culture to the next generations.
- There is pride in education and endless possibilities for education. Individuals are achieving higher levels of education. Education is supported by more leaders/parents. There is support and recognition for educational endeavours.
- A multi-purpose facility brings the community together as it provides a variety of services such as a day care, elders and cultural centre, education centre, First Nation administration offices and recreation.

- A well trained council and staff maintains a good relationship with members and other stakeholders through effective communications.
- Housing availability and styles are adequate to meet the needs for urban and on-reserve members.
- Profitable member operated/owned businesses are increasing and providing meaningful employment opportunities. Jobs are available and meet community needs.
- Local services are available to meet community needs (post office, store and gas station).
- A strategic and community plan is in place. Members understand the plans and are committed to their fulfilment.
- FN people provide policing and other municipal type services meet quality standards.

Based on the above description, the following Vision Statement has been developed for discussion.

Ucluelet First Nation will, with the active participation of our members, strengthen our spirit of community and improve the quality of life and opportunities for our members.

ACCOUNTABILITY BEST PRACTICES

4.1 Accountability to Members

By-Law or resolution can be passed by the organization that would require the Council to maintain a system of accountability to its Members. The system should provide for:

a) Transparency and openness in the Council's decision making process, including drafting and maintaining a written conflict of interest policy available to Members. This policy will, at a minimum, provide that:
   i. An elected official or employee of the Council will not benefit from the position they hold, beyond the agreed upon compensation; and
   ii. Where an elected official or employee of the Council has a personal interest in the outcome of any decision to be made by the Council, and that interest gives rise to a conflict of interest, that conflict and the extent of the interest will be disclosed to the Council; and the Council will determine whether that individual will take part in that decision.

b) Disclosure of the Council's administrative procedures and policies by making the following documents readily available to all Members upon request and at no charge beyond the reasonable cost of reproducing the documents:
   i. This Agreement, including, any Schedule, any Notice of Budget Adjustment or Amending Agreement;
   ii. The Fiscal Plan, the Management Development Plan, if any, and amendments to such plans;
   iii. The Audit, including the auditor's report;
   iv. Completed evaluations of the Core Funded Services and Non-Core Programs, if any, funded, in whole or in part, pursuant to this Agreement;
   v. Written standards and any other policies or procedures of the Council relating to the provision of any Core Funded Services and Non-Core Programs to its Members; and
   vi. An annual report of the activities of the Council during each Fiscal Year.

c) Redress for Members by ensuring that policies and procedures are in place to address disputes related to Core Funded Services and Non-Core Programs, which policies and procedures shall, at a minimum, provide for:
   i. Clearly defined and impartial dispute resolution mechanisms;
   ii. Reasonable time frames within which disputes must be initiated and resolved;
   iii. An appeal process; and
   iv. Appropriate remedies based upon the outcome of the dispute resolutions.

4.2 Structure and Responsibility

The organizational components and structure of the First Nation should be documented. This documentation should include an organizational chart showing the lines of authority for the structure. Other information should indicate authorities, meeting requirements, financial information flow, and other related operational specifications.

4.3 Notification of Meetings

A schedule of standing committee meetings is prepared and circulated to Members as soon as possible. The schedule indicates what group is meeting, when, and what purpose the group serves. Notice of regular meetings of Council are to be posted along with the agenda.

4.4 Minutes

Minutes of Council and standing committee meetings are made available in the Band Office for Members to review. The minutes can also be used to develop content for a community newsletter or reports.

4.5 Roles and Responsibilities

In order to clarify roles and responsibilities, job descriptions are developed for the Chief, Councillors and staff. Terms of reference for standing committees are also developed. Individuals and groups are able to review their roles and responsibilities, which specify their authority and accountability.

4.6 Orientation

Understanding the organization, related roles and responsibilities and issues are all necessary if members are to contribute to effective decision making. An orientation session is provided for new staff, committee members and elected councillors. Individuals who have similar levels of knowledge are able to improve the focus of discussion and decisions being made.

4.7 Performance Evaluations

Each employee receives a performance evaluation at least once per year. The evaluation includes a review and discussion of planned activity and actual activity. Based on specified roles and responsibilities, a review of potential improvements to support future performance occurs. The evaluation allows individuals to be accountable for performance and to identify opportunities for improvement.

4.8 Codes of Conduct

Codes of conduct set boundaries and expectations for ethical practices. Codes can be used for committees and staff. Codes often provide an in-depth section on conflict of interest and list specific rules. A signature is often required from individuals indicating they subscribe to the code. An orientation to all codes is required for individuals affected by them. Codes place individuals in an accountable position and support the need to carry out roles and responsibilities with integrity, competence and due diligence.

4.9 Accounting Policy and Procedures

To support accountability and effective and efficient processing, policies and procedures are developed for the following areas:
- a) Deposits
- b) Cheque signing
- c) Accounts payable and cheque processing
- d) Bank reconciliations
- e) Purchasing
- f) Tendering and quotations
- g) Advances
- h) Over expenditures
- i) Investments
- j) Insurance

4.10 Budgets

Budgets covering all operations are prepared at least four months prior to the end of the fiscal year. Individuals or groups provide sufficient budget back up to justify planned activity that demonstrates a link to the strategic plan. Individuals or groups responsible for budgets take ownership for what is being proposed and follow up to measure actual results, note variances and, where necessary, take corrective actions.

4.11 Financial Reporting

A policy is followed to ensure that relevant financial reports are developed and distributed to appropriate individuals when they are due. The policy can also indicate what is done with the financial reports. Individuals or groups receiving the financial reports review results for which they are accountable.

4.12 Audits and Reports

Audits are conducted and results are reviewed by key stakeholders. Audited statements are posted in the office and presented to the community along with an annual report from the leadership describing what was planned and what actually happened. The audited financial statements on their own present only part of the story. The annual report

presents the remainder. These reports provide the community with information from those who are accountable to it.

4.13 Meeting Council Accountability Responsibilities

Council bears the responsibility for public trust and accountability. This is no easy task. It requires vigilance, not only to avoid calamities but also to achieve greater effectiveness. Ten ways Council can carry out its responsibility for accountability are:

1. By clearly determining the vision, mission and strategies for their mandate.
2. By carefully selecting the Chief Staff Officer. This is one of the most important tasks and requires significant attention.
3. By ensuring effective goal setting, strategic planning, budgets and program monitoring. This requires policy and supportive processes.
4. By ensuring effective feed back and evaluation regarding programs and services. Using performance indicators will allow the Council to hold itself and the CSO and program managers accountable.
5. By regularly reviewing the performance and compensation of the Chief Staff Officer. A formal policy and process should be in place.
6. By overseeing the effective use of the resources of the First Nation. This requires financial and other reporting policy and a professional audit.
7. By serving as a court of last resort for members' complaints. This requires policy and a supportive process.
8. By insisting on the transparency of the organization and having an effective communication system with relevant stakeholders.
9. By organizing governance activities to be efficient and effective.
10. By establishing a Council and organizational culture of openness and candour. This requires self-assessment. Issues are discussed, differences expressed and solutions sought. Policy on terms, performance and other accountability factors are also discussed.

5.1 Selecting the Issues

A First Nation is often faced with a multitude of issues demanding the attention of decision-makers. The issues may represent threats or opportunities. Understanding what should be considered priority is important. An organization that becomes too aggressive and tries to tackle many issues ends up spreading resources thinly. Results can sometimes be disappointing. Many successful leaders believe it is better to do a few things well.

Deciding what to do can be a challenging process. However, having an External Environmental Analysis and SWOT (Strengths, Weaknesses, Opportunities and Threats) report can help to narrow issues, sometimes to as few as five or ten.

One democratic way to select key issues is to have all issues identified by the decision-makers listed on flip charts. The list may include anywhere from ten to thirty issues. Each decision-maker is provided with five sticky coloured dots which they place beside the issues they think are most important and should be considered a priority by the organization. The top five issues to pursue are those with the most dot votes.

This method allows all issues to be listed and addressed. It helps individuals understand that others may or not be seeing the importance of the issues in the same way.

5.2 Using the Mission

Effective governance requires an effective Mission. In turbulent times a Council without a clear sense of the organization's purpose is likely to focus on short-term demands. It therefore sometimes overreacts to events rather than examining and altering the processes that led to the events, and contributed to organizational drift and disarray. An effective Council demonstrates a relentless, laser-like focus on the Mission, which in turn focuses the First Nation on action. An effective Council defines specific strategies necessary to attain crucial goals relevant to the Mission.

A simple exercise can demonstrate the extent to which a Council is mission-focused. During a retreat or at the beginning of a Council meeting, members are requested, without prior notice, to write the First Nation's Mission in his or her own words on a blank sheet of paper. These are collected and reviewed to see if all the Council members are saying the same thing. If the responses are consistent there are no problems. If they are not, then the differences have to be reconciled, and the Mission's statement reviewed to determine if it is still appropriate.

5.3 Linking Operations to Strategy

The process of linking operational initiatives to the organization's strategy is key to the success of any First Nation. By establishing clear links, the Council and Chief Staff Officer can help to ensure the success of the First Nation.

The Council serves to provide strategic direction and initiative to the organization. The responsibility for developing the operational support for the strategy falls, in most cases, to the Chief Staff Officer.

In developing a business/program plan, managers should link each operational initiative with one or more elements of the strategic plan. Any operational function that cannot be clearly tied to a strategic goal should be carefully reviewed and modified – or abandoned – as necessary.

By establishing – and maintaining – these linkages, the First Nation is likely to see success in achieving its stated goals. When Council and staff understand how their individual involvement supports a larger purpose, overall performance increases. The link is often provided by the use of performance indicators.

5.4 External Environmental Analysis (EEA)

It is critical that First Nations understand the environment in which they operate. Knowing trends and issues will assist in the decision making process. Each year, prior to the planning session, it is important to collect relevant information and prepare an External Environmental Analysis (EEA) report. Some First Nations do not do this because they assume everyone knows the issues and trends. This is generally not the case, as individuals have different interests and retention capabilities.

In collecting data, the information should be broken down into key influence areas such as:

      a)   Economy
      b)   Social
      c)   Political
      d)   Technology
      e)   Others

For each area it is possible to develop and ask several key questions. A technology example question is – "What technologies will impact the way we relate to our members?" The intent is to look at current and future impacts, real and imagined.

Having this information will make conducting a SWOT (Strengths, Weaknesses, Opportunities, and Threats) exercise easier. A trend may present an opportunity or reveal other possibilities. Having the External Environmental Analysis and a SWOT enables a more integrative approach. This enhances the quality of information for the decision making process.

5.5 Quality EEA Input

A broad reach in collecting data for an EEA will improve its quality. Responsibility for data gathering should be given to a staff or Council member, depending on the governance and organization arrangements.

The individual (Councillor or staff) develops a draft EEA based on data collected. The draft is then circulated to at least thirty Members, depending on the size of the First Nation. The members selected should represent different sectors of the population - youth, elders, etc.

The Members then review the draft to see if it is consistent with their understanding of the situation. Their input is valuable; it should be welcomed. Members feel good about being asked to be part of a team preparing strategic information that will contribute to decision making for their First Nation. This work is not time consuming and is considered a high-end activity which builds community involvement and ownership.

The input will result in a more comprehensive report and clearer understanding of the external environment for the First Nation.

5.6 Sharing EEA Reports With Members

Information gathered for the First Nation in many cases is also relevant for the Member. The final report should be shared with the membership. Members who review the report will gain a greater appreciation for the challenges and opportunities Council and staff must deal with. Having this information may result in a Member contributing an innovative solution.

5.7 SWOT Questionnaire

In every First Nation there is a variety of opinions on the organization's strengths, weaknesses, opportunities and threats. Comparisons of individuals' and groups assessment of SWOT questions can provide a variety of valuable perspectives. For each of the four areas (Strengths, Weaknesses, Opportunities, Threats), ten core questions can be generated. For each question a rating is provided; for example:

> 1= disagree strongly
> 2= disagree moderately
> 3= undecided
> 4= agree moderately
> 5= agree strongly

In one column the individual provides his/her rating. The total of the individual ratings is used to determine the group rating. Individuals can see how their thinking compares to others. The differences can be discussed. It is not unusual to find major variances in thinking. This exercise will help build on common understanding and resolve differences.

Some of the statements/questions that can be used in the Strengths area are:

- The organization's financial resources are adequate.
- Members regard us well.
- The administrative and program units operate effectively.

5.8 SWOT Matrix

Most organizations undertake a SWOT (Strengths, Weaknesses, Opportunities, Threats) exercise. The frequency of use of the exercise varies and relates to the organization's planning cycle. While SWOT results are helpful in the decision making process, many organizations do not effectively link SWOT results to strategic decisions, and they neglect to consider all implications.

In order to ensure all aspects are being considered, the SWOT exercise should be taken beyond a straight listing. It can be matched to see what new strategies are possible. The tool used to do the matching is a TOWS Matrix. The matrix is composed of nine cells with the upper left cell always left blank. The steps involved in constructing the matrix are:

a) List the organization's key external opportunities and external threats in cells on the left; internal strengths, internal weaknesses in cells on the upper cells;

b) Match internal strengths with external opportunities and record the resultant SO strategies in the appropriate cell of the matrix;

c) Match internal weaknesses with external opportunities and record the resultant WO strategies;

d) Match internal strengths with external threats and record the resultant ST strategies; and

e) Match internal weaknesses with external threats and record the resultant WT strategies;

	Internal Strengths	Internal Weaknesses
External Opportunities	S – O Strategies	W – O Strategies
External Threats	S – T Strategies	W – T Strategies

The purpose of the matching is to generate feasible alternative strategies, not to select or determine which strategies are best. Not all strategies will be selected for implementation.

5.9 Keeping the Strategic Plan Current

Strategic plans that are reviewed every three or five years will not support a First Nation in its bid to stay relevant and meet its members' needs. External and internal factors are constantly changing and impacting ways to do business. Strategic plans must be frequently updated, at least annually. This proactive approach to planning will allow an organization to be responsive to changes that it wants or needs to address.

An External Environment Analysis, SWOT and an issues short list will feed the plan so it can roll on an annual basis. The strategic plan review should begin at least six months before the business or tactical plan approval takes place. The strategic plan should focus on direction and strategic thinking. The strategy to feed the business/program plan should be decided on at least three months prior to business plan approval. A major hard-core Vision and Mission exercise should occur every three years to renew leadership commitment, confirm direction and seek member input.

A policy to engage in strategic planning and timing should be in place, along with supportive procedures. Council and their agendas should ensure the policy is up front and centre at all times.

5.10 Off-the-Shelf Strategic Plans

Considerable time and effort goes into developing a strategic plan document. While participants build commitment to direction and their ownership, these can quickly be destroyed. Lack of action and feedback on the strategic plan work can result in destroying organizational momentum.

The strategic plan and its implementation are critical. Strategies should be linked to action such as business/program plans, budgets, committee or staff activity plans. Strategies also need to be linked to performance expectations such as performance indicators and to a process for accountability and reporting.

One good way to do this is to use a linkage chart or mapping process. This requires a listing of strategies in one column. In other columns, lists of all the action plan items or reference numbers, budgets, people responsible and performance indicators are given. This information should be the organization's road map and a regular feature on the board and staff agendas.

An analysis of the chart or map may reveal a strategy with no specific action, an area of the First Nation's business with no strategy, or a strategy consuming most of the First Nation's resources.

Organizations tend to develop strategy around hot issues. This can result in some business/program areas being neglected. This type of situation will be revealed on the chart or map. Noting exceptions can allow for corrective action to occur.

5.11 Keeping Track of Progress

The development of an effective strategic plan is an important step for any First Nation. The challenge facing the First Nation's Council and staff is to implement monitoring and control mechanisms to ensure that the plan's overall goals are attained.

One of the key features of an effective monitoring and control process is the inclusion of measurable goals and milestones – each relating to the strategic plan – in the operational structure of the organization.

The use of measurable and objective goals can – and should – be incorporated into the full range of operational areas. Wherever possible, meeting these goals should be included as part of the responsibility of each program area within the organization.

By providing clear measurement targets – with specific timelines – Council and managers can respond quickly to challenges that arise. The absence of such measurement tools places managers and Council very much in the dark.

The measurement tools are often referred to as "performance indicators." A monthly or quarterly staff report to the Council should list the status of the performance indicators. The use of this one page list of performance indicators will prove to be valuable in monitoring and control.

5.12 Evaluating Strategy

Organizations should undertake a formal process to evaluate strategy. Since strategic direction is usually long term, a poor strategy can seriously influence a First Nation's health and can be difficult to change. Therefore, timely and effective evaluations to identify problems or potential problems are critical.

A list of strategy evaluation questions is provided on page 28.

5.13 Strategy and Performance Indicators

Performance indicators are measures that relate to establishing and implementing strategic direction. Indicators relate to but are not in a of themselves, results. Linking strategy to performance indicators provides for a high level of accountability. Indicators are also monitored to identify opportunities for improvement.

When developing or implementing an indicator it is critical to ensure that it is relevant. One way to do that is to ask these questions:

- Is this performance a critical indicator of success from a stakeholder's point of view?

- Can it be measured without the need to establish complex and costly measuring systems?
- Does it speak to the value-added contribution of the organization?
- Is it a reliable way of measuring something?
- Do others in the same business recognize the measurement as valid?

By asking these questions as a guide a First Nation can ensure that what is being measured is of value to those most affected by work the measurement represents. This also prevents the use of too many indicators or the use of indicators that are overly complex.

PROBLEM SOLVING AND DECISION MAKING TOOL

1. Define the problem

Ask yourself and others the following questions:

- (a) What can you *see* that causes you to think there's a problem?
- (b) Where is it happening?
- (c) How is it happening?
- (d) When is it happening?
- (e) With whom is it happening?
- (f) Why is it happening?
- (g) Write down a five-sentence description of the problem in terms of "The following should be happening, but isn't ..." or "The following is happening and should be: ..." Be as specific as possible in your description.

Defining complex problems:

If after answering the questions above the problem still seems overwhelming, break it down by repeating steps a-f until you have descriptions of several related problems.

Verifying your understanding of the problems:

It helps a great deal to verify your problem analysis by conferring with someone else.

Prioritize the problems:

- (a) If you discover that you are looking at several related problems, then prioritize which ones you should address first.
- (b) Note the difference between "important" and "urgent" problems. Often, what we consider to be important problems to consider are really just urgent problems. Important problems deserve more attention. For example, if you're continually answering "urgent" phone calls, then you've probably got a more "important" problem and that's to design a system that screens and prioritizes your phone calls.

Understand your role in the problem:

Your role in the problem can greatly influence how you perceive the role of others. For example, if you are very stressed you may think others are too; or you may resort too quickly to blaming and reprimanding others. If you are feeling very guilty about your role in the problem, you may ignore the accountabilities of others.

2. Look at potential causes for the problem

    (a)   It's amazing how much you don't know about what you don't know. Therefore, in seeking the cause for a problem, it is critical to obtain input from other people who notice the same problem and are affected by it.

    (b)   It is often useful to collect input from other individuals, one at a time (at least initially). Otherwise, people may be inhibited in offering their impressions of the real causes of problems.

    (c)   Write down your opinions and what you hear from others.

    (d)   It is often useful to seek advice from a peer or your supervisor to verify your impression of a work or personnel related problem

    (e)   Write down a description of the cause of the problem as you see it and what is happening: where, when, how, with whom and why.

3. Identify alternatives for approaches to resolve the problem

It is useful to keep others involved (unless you are facing a personal and/or employee performance problem). Brainstorm for solutions. (Brainstorming is collecting as many ideas as possible, and then screening them to find the best idea.) It is critical when collecting the ideas not to pass any judgment on them -- just write them down as you hear them.

4. Select an approach to resolve the problem

When selecting the best approach, consider:

    (a)   Which approach is the most likely to solve the problem for the long term?

    (b)   Which approach is the most realistic for now? Do you have the resources? Are they affordable? Do you have enough time to implement the approach?

    (c)   What is the extent of risk associated with each alternative?

5. Plan the implementation of the best alternative (this is your action plan)

    (a)   Carefully consider "What will the situation look like when the problem is solved?"

    (b)   What steps should be taken to implement the best alternative to solving the problem? What systems or processes should be changed in your organization; for example, a new policy or procedure? Don't resort to solutions where someone is "just going to try harder."

    (c)   How will you know if the steps are being followed? (these are your indicators of the success of your plan)

    (d)   What resources will you need in terms of people, money and facilities?

    (e)   How much time will you need to implement the solution? Write a schedule that includes when you expect to see certain indicators of success.

(f)   Who will be primarily responsible for ensuring implementation of the plan?

(g)   Write down the answers to the above questions and consider this as your action plan.

(h)   Communicate the plan to those who will be involved in implementing it.

6. Monitor implementation of the plan

Monitor the indicators of success:

(a)   Are you seeing what you would expect from the indicators?

(b)   Will the plan be completed according to schedule?

(c)   If the plan is not being followed as expected, then consider: Was the plan realistic? Should more priority be placed on various aspects of the plan? Should the plan be changed?

7. Verify if the problem has been resolved

One of the best ways to verify if a problem has been resolved is to resume normal operations in the organization. Still, you should consider:

(a)   What changes should be made to avoid this type of problem in the future? Consider changes to policies and procedures, training, etc.

(b)   Lastly, consider "What did you learn from this problem solving?" Consider new knowledge, understanding and/or skills.

(c)   Consider writing a brief memo that highlights the success of the problem solving effort, and what you learned as a result. Share it with your supervisor, peers and subordinates.

Adapted from the "Basic Guidelines to Problem Solving and Decision Making" provided by Carter McNamara on the Free Management Library Website:
www.mapfornonprofits.org

PRIORITY SETTING TOOL

Sometimes an organization is faced with several options and limited resources. A tough decision must be made as to what is implemented, cancelled or put off to another time period. You can use this **priority setting tool** to categorize criteria as "high", "medium", or "low."

Criteria Priority		
Low Priority (1 - 2 points)	**Medium Priority** (3 - 4 points)	**High Priority** (5 -6 points)
• It is not a critical support to member service. • It benefits only a limited number of staff or members. • It is primarily promotional in nature. • Demand has, or will, decline.	• It is required to ensure general management and control of resources and services. • It will reduce costs in future years. • It is required to inform as a result of accountability. • It is required to assist with planning, coordination or modification of programs and services.	• It is required by legislation / action for government / a contractual obligation. • It will result in a net revenue contribution or cost reduction and is consistent with organizational direction. • It is identified by survey as a priority and will increase staff or member satisfaction. • It is required for safety and protection of people and property.

For example, you could use the above questions as criteria in a **decision-making chart** such as this. **Rank** each of the criteria as:

- high (i.e., assign 5 or 6 points)
- medium (i.e., assign 3 or 4 points)
- low (i.e., assign 1 or 2 points)

Criteria	Solution #1	Solution #2	Solution #3
Organizational / financial strategies			
Member perceived satisfaction / value			
Net revenue increase			
Long-term gain			
Short-term implementation			
Feasibility (time, staff, money)			
Risk			
Total Points			

The **highest score** may represent the best solution. With this kind of information in hand, you are in a better position to choose the solution that appears to benefit the First Nation the most.

ACTIVITY PLANS

Activity plans are linked to strategic and business plans and are used by individuals and groups. They identify intent and monitor progress towards designated performance targets. Use of activity plans support strategic management and accountability. Basic content includes:

<table>
<tr><td colspan="7" align="center">Name of the Report
Name of the Organization
Reporting Period Dates</td></tr>
<tr><td colspan="7">Name of Group or Individual Responsible</td></tr>
<tr><th>Activity Description</th><th>Coordinate With</th><th>Planned Start Date</th><th>Planned Finish Date</th><th>Performance Measure</th><th>Comments</th></tr>
<tr><td>New Strategic Initiatives
Strategies - details
Supportive Action - details

Ongoing Strategic Initiatives
Strategies - details
Supportive Action - details</td><td></td><td></td><td></td><td></td><td></td></tr>
</table>

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