

---

**OCFO TICKET**

10-Jul-09

---

<b>Assigned</b>	DPBA
<b>Item No</b>	2009-231
<b>Priority</b>	2
<b>From</b>	Brown
<b>Office</b>	OMB
<b>To</b>	PIC's
<b>Date</b>	07/10/2009
<b>Due Date</b>	07/15/2009
<b>Ticket No</b>	
<b>Subject</b>	Strategic Planning Guidance - New; NOTE: Meet w/Jim Dyer regarding comments -- he will send to OMB
<b>Instructions</b>	Meeting to be held with Jim Dyer on 7/14/09 at 2:30 p.m.
<b>Distribution</b>	
<b>Copies</b>	

---

---

## SECTION 210—PREPARING AND SUBMITTING AN AGENCY STRATEGIC PLAN

**Table of Contents**

210.1	What is an agency strategic plan and what is its purpose?
210.2	What are the components of an agency strategic plan?
210.3	Submission of strategic plans.
210.4	Interim adjustments to strategic plans.

**210.1 What is an agency strategic plan and what is its purpose?**

An agency's strategic plan explains how the agency intends to address specific national problems, needs, or challenges related to its mission over the course of at least **five** years. It appraises the agency's capabilities, assesses the operating environment, and provides **for** evaluation of the strategy. Strategic plans present a commitment to perform by describing **specific** results **the** agency aims to achieve, what actions agencies will take to realize those planned results, **and how** the agency will deal with current and foreseeable internal and external challenges and risks that stand **in the** way of strategic success.

Strategic plans represent public commitments to action and **change**, and are updated or revised as significant agency internal or external circumstances change. An agency formulates its strategic plan with inputs from Congress, the public, and the agency's personnel, partners, and stakeholders and, when completed, makes the plan easily accessible to all.

Agency strategic plans also fulfill requirements of section 3 of the Government Performance and Results Act (5 U.S.C. 306) and Executive Order 13450, Improving Government Program Performance.

Strategic plans serve a number of important management roles and functions related to achieving an agency's mission:

*Leadership and priority-setting.* The strategic plan allows agency leadership to establish priorities and direction through a strategic and unified vision.

*Agency-wide planning.* The strategic plan is the foundation of an agency's planning system(s) because it provides the key direction for programmatic and management functions, such as human resources, information management, acquisition management, and budget and finance, to execute its strategies. Strategic plans also increase accountability to and enhance the ability of agency executives to plan. Following an effective system of governance, the agency's plans form the basis of the coordinated and synchronized steps that the agency's organizations can take toward realizing the agency's long-term goals contained in the plan. When these ancillary plans, such as those of constituent agency organizations, have their own specific goals, strategies, actions, and underlying personal accountability for results — each of which cascade down from the agency strategic plan — all agency personnel and partners can clearly understand their roles and responsibilities for advancing overall agency mission and strategic goals.

*Measurement.* Strategic plans feature declarative statements known as strategic goals, which state what the agency wants to accomplish in terms of outcomes or results. Each strategic goal is accompanied by performance goals — performance measures with judiciously chosen time-specific targets. The regular and frequent comparison of actual results of performance measures against their time-specific targets is an

essential means for agency management to assess its progress towards meeting its strategic goals, and, in addition, be used to help it identify new strategies.

*Effective governance and personal empowerment.* In order to achieve strategic success, agencies must have an effective system of policies, directives, rules, guidelines, and procedures that enable its employees to efficiently perform projects, initiatives, and operations that implement and execute the agency's strategy. Both agencies and inter-agency bodies must have a system of governance in order to effectively carry out their missions.

*Linking organizational and individual results.* Manager accountability for its results underlies a strategic plan as agencies assign specific agency personnel the duties to achieve performance goals and the authority and resources necessary to fulfill them. The Senior Executive Service pay-for-performance system requires that OPM certify the agencies' performance appraisal systems, with OMB concurrence. Such assignments are required by Executive Order 13450, Improving Government Program Performance. Overall, the management of employee performance is linked to organizational performance and results that emanate from the performance goals and planned actions of the strategic plan. The linkage is reflected in the planning, development, monitoring, rating, and rewarding employee contributions.

## 210.2 What are the components of an agency strategic plan?

There is no specific format prescribed for the plan. The agency strategic plan presents the agency's approach to solving or addressing national problems in a structured format of its own choosing provided that the complete plan contains all required elements. Agencies that have an annual requirement for an agency-wide, multi-year program plan such as the Future Years Defense Program and the Future Years Homeland Security Program may distribute portions of their required elements of their strategic plan in their annual multi-year plan.

Agency strategic plans include the following components to meet the Government Performance and Results Act (GPRA) requirements and conform with Executive Order 13450 requirements for agency heads to assign specified agency personnel the duties necessary to achieve clear annual and long-term goals and the authority and resources necessary to fulfill those duties.

**An agency mission statement** is a component required by GPRA. This is a brief, easy-to-understand narrative, no more than two or three sentences long, that defines the basic purpose of the agency and is consistent with the agency's core programs and activities introduced within the broad context of the national problems, needs, or challenges the agency faces. This statement is important as the strategic goals should be developed to further the mission of the agency.

**An agency vision statement** is not a required component of the agency strategic plan, but it is often used to express how the agency will work towards its mission or what the agency wants to accomplish in broad terms, especially when an agency has a diverse set of related missions, or numerous sets of strategic goals. The vision statement differs from the mission statement in that the vision statement responds to specific circumstances affecting the agency's accomplishment of its mission. For instance, the National Intelligence Strategy (NIS) issued in 2005 included a vision statement that articulated a general response to performance assessments, including the 9/11 Commission Report. The NIS vision statement said that the Intelligence Community would become "A unified enterprise of innovative intelligence professional whose common purpose in defending American lives and interests, and advancing American values, draws strength from our democratic institutions, diversity, and our intellectual and technological prowess." Like the agency mission statement, the vision statement is easy to understand and is expressed in no more than two or three sentences.

**Strategic goals** (also known as *strategic outcomes*, *strategic objectives*, *end outcomes*, or *general goals*) are components required by GPRA. A strategic goal is a clear statement of what the agency wants to achieve or accomplish in terms of outcomes or results relevant to one or more specific national problems, needs, or challenges. The kinds of outcomes or results contained within strategic goals are lasting or enduring in nature.

For each strategic goal, the strategic plan should include a discussion of the recent performance trends, developments, and causes of the specific problems, needs, or challenges being addressed. When a strategy is aimed to solve a problem, it should directly address its causes.

*Performance goals.* Each strategic goal is presented with one or more outcome-oriented performance goals (performance measures and time-specific targets) that allows judgments to be made in the future as to whether it was or is being achieved. The GPRA requires the plan to describe the relationship between the performance goals and the strategic goal,

Each strategic goal should include a GPRA-required discussion of the **strategies** and means the agency will use to accomplish the goal and provide an outline of a **plan** it will **use** to implement and execute the strategy.

A *strategy* refers to the approach the agency will use to achieve a **strategic goal**. Since there are often alternative strategies that might be used to accomplish any strategic goal, an effective description of a strategy should tell the reader why the strategy will be effective (or more effective) for achieving the strategic goal. This is particularly important when the strategic plan poses a different strategy than the prior plan.

- Strategic plans should describe the conclusions from analyses of historical performance data, research, and evaluations that help explain the basis for the agency's strategy. As mentioned previously, GPRA requires agencies to describe the completed program evaluations that were used to develop their strategic plans.
- The strategy should address significant known or anticipated internal and external agency risks or challenges that could potentially affect goal achievement, and focus on the approaches the agency will use to overcome or effectively address them. Examples of internal agency challenges include identified waste and inefficiency; issues with organizational design and governance; coordinating more effectively with agency partners; the need to close critical capability or quantity gaps for technology, human resources, facilities and infrastructure; and the ability to efficiently acquire and more effectively manage contractor resources.
- *Key factors that could affect achievement of the strategic goals.* The strategy should address significant known or anticipated internal and external agency risks or challenges that could potentially affect goal achievement, and focus on efforts the agency will use to overcome or effectively address them when possible. The GPRA requires agencies to identify external risk and challenges as "external factors."
- Examples of internal agency risks and challenges include identified waste and inefficiency, issues with organizational design and governance, coordinating more effectively with agency partners; the need to close critical capability or quantity gaps for technology, human resources, facilities and infrastructure; and ability to efficiently acquire and more effectively manage contractor resources.

- External factors are those introduced by external forces or parties, and are not of the agency's own making. External factors may be economic, demographic, social, or environmental, and they may remain stable, change within predicted rates, or vary to an unexpected degree. A strategy's dependence on the actions of Congress, other Federal agencies, States, local governments, or other non-Federal entities are also external factors that need to be addressed by the agency strategy.

*Means* refer to the resources that the agency foresees that will have at its disposal and use to implement and execute its strategy. An innovative use of a resource may be the key element of a new strategy. Resources are inputs, such as human capital, technology and technological resources, information resources, facilities and infrastructure, and budget. The discussion of resources should a) identify key agency program and institutional activities, and external agency partners (e.g. grantees; state, local, tribal, and foreign governments; major long-term contractors, etc.) that apply resources toward the agency goals, b) identify their roles and responsibilities, and c) describe how their efforts in deploying and managing resources will contribute to actions, outputs, or services that will lead to results. The discussion about resources should be informed by the agency's resource management plans that estimate resource requirements and address the opportunities and challenges in acquiring them and making them usable and effective.

*Planned actions.* The strategy and means discussion should include an outline of *planned actions* with a timeframe to implement and execute the strategy. Without this, the agency's strategic plan is merely a visionary approach that is disconnected from the efforts of its employees and partners. In particular, a critical related set of planned actions might be designated as an *initiative*, a discrete project that will substantially enable achievement of long-term performance goals. For example, the reorganization of a major agency unit might be undertaken to improve the utilization of scarce technical resources and workforce skills, put in place a more effective form of governance, and improve communication and coordination between employees and contracted support services. The reorganization itself would be planned and managed as a project by the unit's deputy with a few key milestones, including a completion date identified in the agency strategic plan,

- *Annual performance goals.* The agency should include measures of intermediate outcomes and outputs with time-specific targets as indicators of the agency's progress in implementing and executing its strategy. These measures are important because they are used to assess whether the agency is on track toward reaching its long-term performance goals. While these measures are designated as annual performance goals, it is desirable that have results reported on them more than once a year, and that the measure have time-specific targets that extend throughout the timeframe covered by the strategic plan. Examples of these include milestone accomplishment of initiatives and implementation activities, outputs and customer service levels, and results for intermediate outcomes that can be used as leading indicators for long-term performance goals.

Agencies often have multiple, related strategic goals that share some common or general aim. Strategic goals that share a common aim are often designated as *sub-goals* or *sub-objectives* that are grouped together under a single common strategic goal that is also presented in a manner that allows judgments to be made in the future as whether it was or is being achieved. When strategic goals are grouped together just to categorize them, they are often identified under a *general goal* that serves only to organize them for the reader.

Agencies should also identify key areas critical to the achievement of the strategic goal that are not measured quantitatively. These areas may be stated as benchmarks or indicators.

A **schedule of future evaluations** is required by GPRA. The agency's schedule of future evaluations should go beyond simply listing evaluation topics for planned studies and instead should briefly describe the objectives of planned evaluations and why they are relevant to decision-making.

**Public Access to Information.** The plan should describe how the agency will make available its results and progress on accomplishing its strategic goals to the public on the Internet. The strategic plan should provide instructions on how the public can easily access the strategic plan, and view performance-related information on the Internet, including regular updates of agency-level and program-level long-term and annual performance measures and their targets.. OMB may issue further guidance on this subject to make it easier for the public to access this kind of agency information from numerous agency websites.

**Management Accountability: Describe how agency managers will be held accountable for results,** including assurances that specific agency personnel have been assigned to duties to achieve strategic goals. Agencies often provide background information about their organizations and locations of operations in their strategic plans. The agency organization narrative is an appropriate place to describe the roles and responsibilities of agency managers and organizational units for accomplishing the agency strategic goals, as well as the system of agency management systems and plans used to configure, govern, monitor, and control operations aimed to achieve organizational goals.

See section 200.2 for comprehensive definitions of the key planning elements.

### 210.3 Submission of strategic plans

(a) *Timing of strategic plan submissions.*

The GPRA requires agencies to submit an updated and revised strategic plan to the Congress and OMB within three years of submitting its previous strategic plan. Changed internal or external agency circumstances can quickly make a strategic plan outdated, especially the performance targets, so more frequent updating may be needed. The budget decision process presents an annual opportunity to review, assess, and revise the plan and its targets. An updated plan will often retain, unchanged, the elements of a previous strategic plan, such as the mission statement.

Consistent with current policy and practice regarding interagency clearance of certain material being sent to the Congress, agencies should provide OMB with an advance copy of an updated strategic plan at least 45 days prior to the date for transmitting the plan to the Congress and making it available to the public.

(b) *Consultation and outreach.*

When preparing a strategic plan, agencies must consult with the Congress and OMB and solicit and consider the views of interested and potentially affected parties. Consultation could include hosting public meetings on the draft plan and posting the draft plan on the internet and inviting comment. This consultation and outreach may result in contrary views being expressed.

(c) *Transmittal of plans to the Congress and OMB.*

The plan is transmitted to the Congress and OMB by the agency head. Transmittal letters are addressed to the Speaker of the House of Representatives, the President and the President pro tempore of the Senate, and the Director of OMB. Distribution is also made to relevant committees of the Congress. The letter

transmitting the agency's strategic plan to the Congress includes a summary of the consultation and outreach processes, and any contrary views that resulted.

GPRA states that the preparation of a strategic plan is an inherently governmental function, and the plan is to be drafted only by Federal employees. However, when preparing a plan, agencies may be assisted by non-Federal parties, such as consultants or contractors. The transmittal should include an acknowledgment and brief description of the contribution by a non-Federal entity in preparing the plan.

Strategic plans are a matter of public record, so the public should be afforded the opportunity to access the completed plan. Your agency should place the strategic plan on its website, or make it available through other electronic media, generally, a strategic plan should become publicly available when the plan is transmitted to the Congress.

#### **210.4 Interim adjustments to strategic plans**

(a) *Scope of interim adjustments.*

You may make minor adjustments to a strategic plan in advance of the three-year revision cycle. Adjustments can include changes to the strategic goals, the means and strategies used to achieve the goals, the key external factors, or the program evaluation schedule. Modifications may reflect altered circumstances or evaluations of program performance. Interim adjustments are selective and do not produce widespread changes in a plan. You need not consult with the Congress, or conduct outreach to potentially interested or affected parties when preparing interim adjustments.

Significant changes to your strategic plan are made using the more extensive update process, even if this accelerates the three-year revision cycle. Consultation requirements apply in these instances. Interim adjustments, on the other hand, do not alter the three-year revision cycle for strategic plans.

(b) *Transmittal of interim adjustments.*

Interim adjustments do not require a formal transmittal. Append an interim adjustment to your budget submission as a separate, easily found section, and present only the adjustments, not the entire strategic plan. The interim adjustments should be included both in the performance budget sent to OMB in September, and in the performance budget (congressional justification) sent to the Congress in February. You should distribute, or otherwise make publicly available, the interim adjustments so readers can reference or review the most current strategic plan content.