Strategy Mapping

Keeping the Focus on Missions in Fiscally Challenging Times

Kris K. Brown

EXECUTIVE SUMMARY

Contra Costa County, like most counties in California, has been challenged with an increased demand to provide public services, even as its financial and staff resources are shrinking measurably. While businesses measure their success in terms of profits and sustainability, the public sector must demonstrate its ability to fulfill its mission, despite any obstacles. Contra Costa County's Employment and Human Services Department (EHSD) chose to apply strategy maps to achieve that goal. This case study describes how the strategy map methodology has helped EHSD identify key initiatives and understand how different parts of the agency can contribute resources towards a common goal.

As programs within the Napa County Health and Human Services Agency prepare to develop new strategic plans, lessons can be learned from Contra Costa. Strategy maps are an effective way to identify and prioritize common goals and initiatives that have the most impact in relation to effort, thereby balancing the need to provide excellent service to the community while still being responsible to the taxpayer and other stakeholders. While we do not know what the future holds, we can be sure rough seas are ahead, and developing a viable strategy is a crucial means to stay afloat.

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Background/History

By all accounts, these are difficult times. Difficult for people in the community, and difficult for agencies that are trying to serve those people who are in need. How do we meet an increased demand for services when it is coupled with seemingly crippling reductions in available resources?

In the face of significant budget and staffing reductions co-occurring with a substantial increase in service demand and client traffic, Contra Costa County sought to address these challenges head on. They recognized that "business as usual" was no longer sufficient, so they looked to a consultant for guidance to ensure they could continue to carry out their mission of serving the community despite a daunting fiscal climate. Out of this process, the Employment and Human Services Department (EHSD) Strategy Map was born.

The Balanced Scorecard and Strategy Maps

"Strategy Maps: Converting Intangible Assets into Tangible Outcomes" (Harvard Business School Publishing, 2004) was authored by Robert S. Kaplan and David P. Norton who were previously recognized for introducing "The Balanced Scorecard." While the Balanced Scorecard postulated that you can't manage what you can't measure, strategy maps assert the concept that you can't measure what you can't describe. Custom strategy maps allow organizations to:

- clarify their strategies and communicate them to all employees;
- identify the key internal processes that drive strategic success;

- align investments in people, technology, and organizational capital for the greatest impact; and
- expose gaps in the strategies to allow for early corrective action.

Building a strategic map forces an organization to clarify the logic of how it will create value, and for whom. Strategy maps seek to bridge the frequent gap between strategy formation and successful implementation.

Strategy maps help an organization translate its mission into actionable strategies, guiding specific improvements that will lead to desired outcomes. Strategy maps graphically illustrate the "cause and effect" links between strategies in each of the four perspectives first identified in the "Balanced Scorecard." These include a:

- Financial/Fiduciary Perspective
- Customer Perspective
- Internal Process Perspective
- Learning and Growth Perspective

An organization's success (defined as creating "value" for shareholders or citizens) must be measured not just on one dimension, such as financial solvency; rather, performance of the agency should be measured across all aspects of the organization. Strategy maps are a visual way to holistically view how the organization is functioning in its effort to fulfill the agency's mission.

To better understand cause and effect, it's necessary to have an understanding of the four different perspectives and how they have translated into actionable strategies for Contra Costa County's EHSD. The financial perspective, according to Kaplan and

Norton, identifies how sustainable growth will be created for shareholders. In the public sector and other non-profits, a "fiduciary" perspective is more relevant than a "financial" one: "shareholders" are taxpayers, clients and other stakeholders, and performance in achieving the mission replaces "sustainable growth." In Contra Costa County, one fiduciary strategy is to maximize use of state and federal funds.

EHSD takes a broad view of their stakeholders and customers (those for whom the value is created). Stakeholders and customers include: client/service recipients, county and state elected officials, funders, public/taxpayers, and EHSD staff. One customer strategy identified on the map is to provide quality customer services while treating clients with dignity and respect. Together, the fiduciary and customer strategies support the agency's mission to partner with the community to provide services that support and protect adults, children, families and the elderly and promote personal responsibility, independence, and self-sufficiency.

The internal process strategies are those critical few processes expected to have the greatest impact on the strategy. Internal process strategies support the fiduciary and customer strategies. EHSD identified one key process as recruiting, hiring and retaining a qualified workforce.

At the top of the map is the agency's mission statement, which guides all business decisions. The foundation for the EHSD strategy map is the learning and growth perspective, which addresses how people, technology, and the organizational climate support the other strategies. These are the intangible assets that are most important to the strategy. To address this perspective, one approach is to create an organizational culture that places a high value on customer services.

Developing the Strategy Map

Contra Costa County's EHSD is complex, consisting of five program bureaus in addition to administrative support. In a time of shrinking resources, executive management of EHSD recognized the need for a process to actively solicit, review, approve and moni-

tor the various projects and suggestions that can save money, increase efficiency and improve services to clients. To be successful, projects must be measured by certain elements, such as the schedule, the cost, the quality, and user requirements/satisfaction. This requires a broad-brush approach to address issues across the board and to maximize benefits.

Prior to the application of strategy maps, EHSD had no objective approach to prioritizing projects and individual bureaus would potentially duplicate efforts or compete for resources. The strategy map provides a guide for how to select activities the organization will engage in to achieve its mission. The strategy map is built on a system of activities and takes into consideration the entire agency, rather than each bureau within its own silo. A strategically connected system of activities is more powerful and sustainable than individual or isolated activities.

The system of activities employed by EHSD incorporates a collection of initiatives to benefit the entire agency. EHSD looks for "smaller" initiatives throughout the agency that then feed into "larger" initiatives that will have widespread benefits. An additional benefit has been a more balanced workload, with efforts spread across multiple bureaus.

Implementing the Strategies

Strategic plan components must be quantified. If strategies are not quantified, they are simply expressions of intent. Implementing strategies requires: choosing the activities or initiatives, establishing targets, validating the cause and effect of relationships, and defining the timeline. Strategy maps link what you *do* with *outcomes*.

To translate these quantified strategies into measurable outcomes, EHSD had to identify its priorities. First, an inventory of all current and planned projects and initiatives was developed; over 90 separate initiatives were identified. The Executive Team (ET) then distributed this list to all mid-managers throughout EHSD via a Zoomerang survey and asked them to rank each initiative. The ET used this input as part of the process of prioritizing projects, although some popular ideas were not as "compelling" and didn't

make the final cut. "Mandatory" or completed initiatives were grouped into a separate category, and the ET voted on a final prioritization of the remaining initiatives, identifying those that were most beneficial from all four strategic perspectives.

A clear methodology was needed both for the strategic planning process and for the prioritization process to determine the final set of initiatives. All projects in the queue, whether active or not, were assigned a priority based on the summary of scoring criteria, which included an assessment of need, cost, benefit, effort, impact, and risk.

After applying this methodology to prioritize the proposed initiatives, several "High Priority" initiatives were identified by the ET, including anticipated changes or upgrades to systems, such as ACCESS Calwin, Benefits Calwin, CMIPS II, and CWS/CMS Web. Other initiatives given High Priority include: an employee recognition program; on-line training courses; training on time study processes; use of social media; and a new staff development system.

Each High Priority initiative has a formal project structure with an "Executive Sponsor" from the ET, a project manager, and a project team. Project teams gather input from internal and external affected stakeholders. Quarterly updates are provided to all staff and posted on the county's intranet, and the list of strategic priorities as well as the status or success of individual projects are reviewed on an annual basis.

Progress to Date and Lessons Learned

From the outset, the implementation of strategy maps was identified as a long-term process; however, EHSD believes it is already seeing benefits. It has provided a methodology, coupled with quantitative prioritization ranking, for the department to develop an improved strategic focus. This allowed them to identify 14 Mandatory and High Priority initiatives, from an initial list of 91. That same methodology enabled the ET to ensure many of the remaining initiatives were complementary to each other, thereby maximizing the potential benefits. Furthermore, the process has ensured that the initiatives are balanced across business needs instead of focused on only one aspect of supporting the department's clients, and it provides a clear road map for all EHSD staff to meet key strategic goals and initiatives.

An obstacle from the outset was that this was a new and unfamiliar methodology, so staff were unclear about the process. The Executive Team supported the concept, but it will take time to disseminate a clear understanding of the process to staff at all levels. This challenge has been furthered by steady reductions in staff, particularly in administrative and technical positions. This has limited the availability of staff resources to carry out individual projects.

Conclusions/Implications

Strategy maps have proven to be a valuable tool for Contra Costa County as it has looked to the future and the need to continue to fulfill its mission despite dwindling resources. As noted above, EHSD has found the process invaluable in helping them prioritize and identify common goals and initiatives that will have the most impact in relation to effort. Given the fiscal restrictions local governments are currently struggling with, it is notable that, aside from staff time, there are no direct costs associated with implementing strategy maps as a way of doing business. And, with regard to staff time, the investment in developing the map, identifying priorities and coordinating responses to the initiatives is likely much lower than the time spent working inefficiently and duplicating efforts.

Napa County is in the process of developing a new strategic plan for each division within the Health and Human Services Agency (HHSA), including Comprehensive Services for Older Adults (CSOA). Napa County HSSA supports a collaborative management approach that involves staff at all levels. With fewer than 35 employees, CSOA would have far fewer challenges than a large agency if it introduced a new approach. Although small, CSOA provides a broad variety of programs, including Adult Protective Services, In Home Support Services (IHSS), the IHSS Public Authority, Medi-Cal for the Aged, Blind and Disabled, Older Adult Mental Health,

Public Guardian, Public Health Nursing, and Veterans Services.

With so many different programs and services, keeping people on the same page requires a conscientious effort. Developing a strategy map for CSOA could be a valuable tool in ensuring that a) staff recognize their role in supporting the agency's mission and vision; b) processes are carefully evaluated and efficiently streamlined; c) fiscal responsibility is balanced with the need to meet customer needs; and d) activities are prioritized to get the most "bang for the buck." While this may not be the only tool utilized in the development of CSOA's strategic plan, the concepts introduced here will provide a valuable backdrop as the division looks to the future and strives to meet the agency's mission in these fiscally challenging times.

Acknowledgements