FACILITY MANAGEMENT MANUAL

4 Strategy and Planning

SPORT
NEW ZEALAND

The Facility Management Manual has been developed for managers of any recreation, sport or leisure facility. It provides detailed information covering the management and operation of a recreation, sport or leisure facility.

This document is a companion document to the Aquatic Facility Guideline, which can be found on the Sport NZ website and the NZRA website:
http://nzrecreation.co.nz/index.php/facilities-home/facilities-guidelines

Table of Contents

1   Introduction

This chapter discusses the need for planning and describes the difference between strategic and business planning, who is responsible and defines a planning process.

This section links with the following Facility Management Manual chapters:

Chapter 1 – Community Engagement

Chapter 2 – Customer Care

Chapter 7 – Financial Management

Chapter 8 – Risk Management

Chapter 9 – Monitoring

Chapter 10 – Governance

Chapter 13 – Facility Development

1.1   Legal and statutory requirements

The following laws and standards are relevant to the responsibilities and accountabilities of facility managers in developing plans and strategies:

- Health and Safety in Employment Act 1992, 2003
- Companies Act 1993
- Incorporated Societies Act 1908
- Local Government Act 2002
- Charities Act 2005

The Local Government Act 2002 requires territorial authorities to consult with their communities in the development of a Long Term Plan (LTP) and special projects of significance.

In relation to the management of recreation facilities, facility outputs (e.g. target of 20 recreation programmes to meet the needs of a diverse cross-section of the community) should be linked to the community outcomes.

Further information

www.lgnz.co.nz

http://legislation.govt.nz

1.2   Policies

All facilities should have policies relating to the strategic planning processes. These could include but are not limited to:

- Advocacy and communication policy
- Financial policy
- Human resource policy
- Risk management policy
- Asset management policy
- Report writing standards.

2   Reviewing Performance

2.1   Self-review

Prior to using this chapter, do a quick check on how the facility is performing in the area of strategy and planning.

Strategy and planning self-review

Description	Self assessment
Plans in place • The facility has a 'strategy tree' of plans from strategic plan, through to facility business plans and individual work plans.	
Plan alignment • Plans are linked to each other and cascade effectively from one to the next.	
Performance indicators • Plans have objectives and performance indicators, which are SMART and these are regularly reviewed.	
Staff involvement and engagement • Staff are involved in the process of developing plans and 'own' them.	
Monitoring and evaluation • Plans have regular reporting and review structures, which are adhered to and recommendations acted on.	

2.2 Key performance indicators

Area	Indicators	✓
Strategic plan	Stakeholders are involved in strategic plan development. Strategic plans specify results to be achieved. The strategic plan drives the facility business plans.	
Facility business plan	Facility business plans are based on the strategic plan and describe 'business as usual' and new facility initiatives.	
Work plans	Staff work plans are developed and progress regularly reviewed. Staff work plans are reviewed regularly.	
Project plans/business cases	Project business case methodology is consistently applied to new initiatives.	
Monitoring and evaluation	Plans for monitoring and evaluation are prepared. All plans include indicators of performance. The programme of plan review is appropriate to strategy, business and work plans.	
Reporting	Progress reports are produced monthly, quarterly and annually against agreed plans.	

3   Plan To Succeed

Strategies and plans should be real, working documents. Their development requires time and energy from everyone involved. Effective processes produce quality results and a sense of ownership and therefore commitment by those involved in the process.

If the facility is governed by a Board, it's imperative that both management and board members understand the difference between strategic plans and business plans, and where responsibility for each lies.

Planning for new facilities as opposed to planning for existing facilities requires a different approach, but the principles are the same. With new facilities, more emphasis will be put on the needs assessment and feasibilty testing through to consultation design stages and business planning.

3.1   A sample planning process

The planning process has four major stages:

- Preparation: assigning roles and responsibilities
- Strategic development: overview, background research, strategies, goals and outcomes
- Implementation: developing and implementing action plans
- Monitoring: measuring performance.
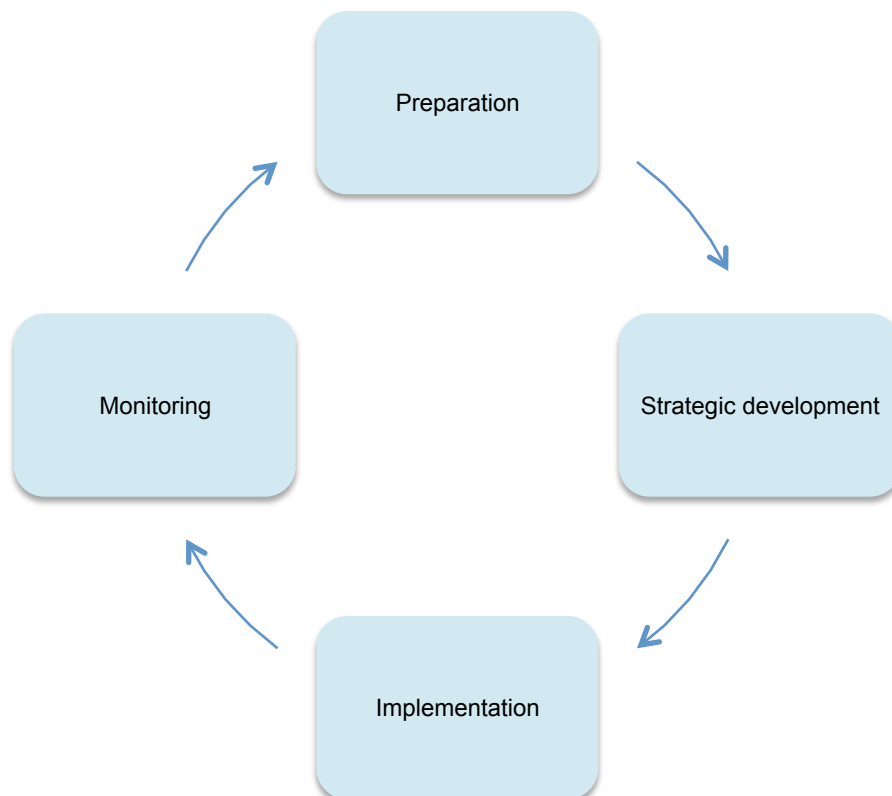
3.2   Strategic and business planning: who does what

Strategic plans should be long term, of at least three to five years. They look after the long-term interests of the facility and its place within the wider community.

In most recreation facilities, the management structure is made up of three levels:

A Board of Directors e.g. City Council, Trust Board, Community Board

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Management and senior staff e.g. Executive Director or General Manager

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Operational and service delivery staff
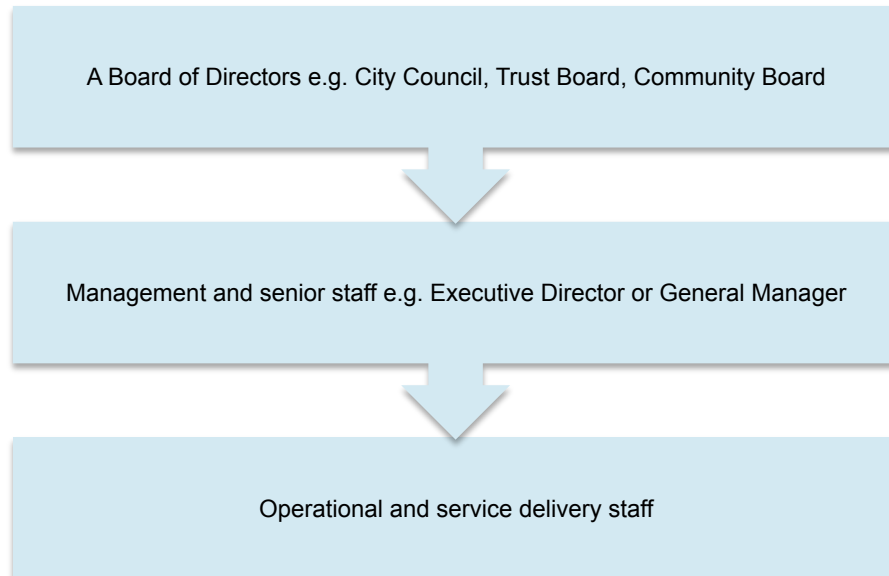
The governing body or board usually has overall responsibility for the development of the strategic plan but the manager, senior staff and key stakeholders should have input into and be involved in developing the strategic plan, so that it is 'owned' by all concerned.

It is important to remember that the board's contribution to the planning process should be to provide strategic direction and control while the role of the facility manager is to provide leadership, manage the operations and deliver services for the facility.[1] The board's role is to focus on agreed outcomes and to let the manager focus on the means to achieve those outcomes.

The business plan provides the 'means to achieve the strategic plan' and is the responsibility of the facility manager. It is a practical interpretation of the strategic plan. To reiterate, the planning process must involve everyone in the organisation in some way.

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[1] Getting on Board, Creative NZ, 2014

4 Developing Strategic Plans

Strategic plans are the high level plan for the facility and will:

- Define the vision, purpose or mission and values or principles (kaupapa and tikanga)

- Cover a time period of at least three years

- Provide a high level plan of how to get there and include an environmental scan and stakeholder analysis

- Focus on high-level goals which are in line with the organisation's mission and purpose and be constantly reviewed over the period to ensure they are still relevant and realistic

- Be driven by the needs of members and customers.

> **Template:** Strategic plan

4.1 Overview of the current situation

Begin strategic planning by reviewing the current situation as a way of setting the scene including:

- **Facility vision:** state (in one sentence if possible) the facility's vision. e.g. '*leading the way with community focused pools and programmes'.*

- **Basic statistics**: include some basic statistics about the facility including the size of the customer base, overall high level description of service provision and financial position

- **Summary of previous year**: e.g. were last year's expectations meet and why? Summary end of year reports are important to help reflect on past performance

- **Expectations**: outline expectations for the coming year.

4.2 Background research

In preparing for the strategic planning process, background research and analysis will need to be undertaken. Standard analysis techniques are:

- PESTLE analysis

- SWOT analysis

- Stakeholder analysis.

PESTLE analysis

A PESTLE (Political, Economic, Social, Technological, Legal and Environmental) analysis is an opportunity to consider factors that are outside management control and might affect the facility.

Area	Factors	Potential impact
Political	Bi-elections imminent, supportive Councillor retiring.	Level of support for the facility may change with the new Councillor.
Economic	5% budget cut flagged for next financial year.	Directed to identify new areas for budget cuts and income generation.
Social	Growing population of young families in the area.	Opportunities to further develop pre-school and family friendly services.
Technological	The enrolment system not linked to the website.	Need to upgrade on-line enrolment system.
Legal	Increased health and safety standards being developed for work places.	Increased expectations on facility health and safety standards over time.
Environmental	Increasing consumer demand for sustainable practices.	Opportunities to run energy audit and publicise eco-actions.

This information can feed into the SWOT analysis.

SWOT analysis

A SWOT (Strengths, Weaknesses, Opportunities and Threats) analysis is a review of the internal and external factors that affect the facility.

Internal and current	
Strengths	*Weaknesses*
What things are working well? Where is the competitive advantage? What can be built on?	What things are vulnerable? What are areas of poor performance?
External and potential	
Opportunities	*Threats*
What's happening that could be a positive influence? New ideas?	What are competitors doing that is or could impact on business?

Stakeholder analysis

Stakeholders are those people or organisations who have a direct interest in the facility and the opportunities it provides. A stakeholder analysis identifies who they are, their needs and expectations, their impact on the facility (positive and negative) and strategies for enhancing the relationship with them.

Stakeholder	Level of importance (low, medium, high)	Level of support (low, medium, high)	What do they want?	What is wanted from them?	How to enhance their support?
Customers					
Representative organisations					
Community					
Neighbours					
Politicians					
Businesses					
Funders					
Other					

This section should also include specific information on customers (who they are, what their buying habits are), and competitors (where is the facility placed in the market compared with them). Competitors can be specific organisations, other facilities or activities, or alternative ways for customers to spend their money or access services.

Further information

FMM Chapter 1: Community Engagement

4.3   Mission statements

A good mission statement will answer the question 'Why do we exist'? It should provide a broad overview of what the purpose of the facility is and should include:

- The philosophy and values underpinning the facility
- What the facility wants to offer customers
- Unique contribution.

Planning a mission statement

Questions to ask	Comments
What is our purpose or reason for being?	
What is the essence or spirit of this facility?	
What is our big idea?	
What is the nature of our services?	
Where do we want to get to?	
What do we want to become?	

Ideally the Board will include management and staff in the strategic visioning and planning process so that they own the result.

4.4   Strategies

A strategy is a broad, high-level statement of intention, a signpost to indicate the type of actions that are likely to be found in the business plan.

Strategies will relate to things such as:

- Programme and services
- Meeting customer needs
- Marketing and promotion
- Financial performance
- Provision of facilities and equipment.

4.5   Goals and outcomes

Goals

Goals state outcomes or desired results. At this stage of planning, being specific is important, and will give clarity and focus to the work undertaken by management and staff. If goals are too ambitious or too vague, they are not likely to be achieved.

Objectives

Developing objectives and action plans is all about *where* the facility wants to be in the future, *who* will complete the actions and by *when*.

Objectives should be SMART (specific, measurable, achievable, realistic and time bound) so they can be evaluated at the end of the year.

- *Specific*: Is it obvious from the wording of the objective what the event or programme intends to do? Be as clear and specific as possible.

- *Measurable***:** Make the objective measureable by saying how many things will be done or how many people might participate.

- *Achievable*: Talk to contacts and colleagues to confirm this. If working with youth at risk, is the intention to change their behaviour, or is this just the beginning?

- *Realistic*: Check the idea is realistic by engaging with existing networks. This provides an opportunity to both test ideas and start developing partnerships.

- *Timeframe***:** Set a realistic timeframe that maintains interest.

An outcome is a statement of the desired results. Sometimes these are called key result areas and they focus on where priority effort should be directed.

Consider the key aspects of the facility that are critical to its success, and how their success can be identified. Outcome statements can relate to a range of things, e.g.

- The place of the facility in the local community

- The impact of facility use on customers

- Levels of service and customer satisfaction

- The financial outcomes to be achieved.

Key result areas should:

- Highlight needs i.e. the gap between current results and desired results, and should cover all major areas where resources will be directed

- Be congruent with the organisation's values and philosophy

- Be supported by evidence e.g. results from an evaluation process which highlighted areas needing attention.

4.6   Performance indicators

Performance indicators are the criteria by which performance can be monitored, measured and evaluated. The focus of measuring performance is to identify the goals and how they will be measured. Performance indicators fall into one of several categories:

• Outcome measures that assess what has been achieved

• Efficiency indicators measure output in relation to resources used

• Effectiveness indicators measure the extent to which the objectives of the service have been met

• Qualitative indicators measure performance through the customer's eyes.

Examples of performance indicators include:

• Increase in people participating

• Percentage of visits by target groups

• Subsidy per visit

• Cost per opening hour

• Percentage satisfaction levels through surveys.

Key performance indicators have been included at the beginning of every chapter of the Facility Management Manual and these can be used as a guide along with information in FMM Chapter 9: Monitoring and Evaluation.

5　Business Plan

A business plan is a plan of action. It is a succinct and readable record of the planning process. Business plans should be practical, useful documents that give direction and focus on the activities of the facility and staff. Critical to the success of the plan is the involvement and contribution of staff. Agreed plans should be visible and accessible to facility staff and include a mechanism for ongoing feedback.

Business plan style and format will vary according to the requirements of the facility and its management but most plans will include the following:

- Introduction and mission statement
- Executive summary and overview
- Market analysis
- Identified key result areas
- Customer service/programmes plan
- Communications, marketing and promotions plans
- Organisational plan (human resources plan and management administration)
- Health and safety plan
- Asset management and risk management plans
- Financial plan and budget
- Monitoring and evaluation.

5.1　Action plans

These contain the practical actions to be carried out over the coming year to achieve objectives. Action plans should aim to maximise the strengths and opportunities identified in the SWOT analysis, and minimise or eliminate any weaknesses and threats. Include the services and activities that are already happening as well as any new initiatives. Action plans can be used from previous years if they are still current.

Action plans do not need to be highly detailed but rather a summary of how objectives will be achieved in the coming year. They should then be developed further via a formal project plan for implementation. Every action plan should indicate:

- What the initiative is and the objective it relates to
- What audience or group of customers it targets
- What media will be used (if any)
- The available budget
- The timing of the initiative
- How the outcome of the initiative will be monitored and evaluated
- Any other relevant information.

> **Template:**　　Business plan checklist
>
> 　　　　　　　　Facility business or action plan
>
> 　　　　　　　　Project plan

5.2   Monitoring and evaluation

Monitoring runs in parallel with all aspects of the facility and its operation. It should be carried out on a continuous basis rather than waiting until the end of a programme, facility promotion, or a development project.

Monitoring identifies and tracks indicators of success and or failure and can be used to track performance against historical trends or patterns. Variances will provide facility managers with regular information regarding performance and can identify if performance is on target, better or worse and will indicate whether action needs to be taken.

To develop monitoring systems, identify 'indicators' of success or failure. Reflect on the business plan and the objectives and key performance indicators developed as part of this process.

- What are the key areas for success?
- What ways can this be tracked?
- What are signs of failure?
- How can these be tracked?
- Where can this information be collected?
- How often does it need collecting, analysing and reporting?
- Who needs to know about variations?

Evaluation focuses on results and achievement of intended outcomes.

All the elements of the business plan should be measurable. Planned monitoring and evaluation identifies what data is needed to measure, how the data will be collected and analysed, and how the results will be used or reported.

Further information

FMM Chapter 9: Monitoring and Evaluation

6   Developing a Business Case

New projects or ventures may be conceived in response to evidence of gaps, trends and opportunities. To obtain the support and approval for new projects, a business case will need to be presented to assist management in evaluating and allocating resources.

Following initial research and scoping of the project, a business case can be developed that clearly links the project with the vision, strategies and outcomes the facility is seeking to achieve. There must be clear links between the business case and the strategy and business plans of the facility.

A business case will need to contain:

- Background
- Project purpose
- Project description
- Objectives and strategic justification
- Research and analysis
- Target audience
- Resources required including budget
- Roles and responsibilities
- Project timeline
- Targets and results.

The recommended structure of a business plan is:

- Executive summary
- Current situation
- Proposed project / solution (including benefits, market analysis, costs, risk assessment)
- Financial analysis
- Conclusion
- Supporting material (data sources, working documents).

Template: Business case template

7   FAQs

Q: I'm new to developing plans. Where do I start?

A: Always start at the top with the strategic plan. Familiarise yourself with the vision, mission and values of your organisation. Check that your team is familiar with them and their work and culture reflects these.

Q: Our organisation has a vision and mission that is hard to understand and relate to our day-to-day work. As a manager, how can I engage my team in living and breathing it?

A: Ideally vision and mission statements are developed by the Board/governing body in consultation with managers and staff and regularly reviewed with them. If this is not the case, you could run your own workshop with your team and generate discussions around questions like:

- *What questions do you have about our vision and mission statement?*

- *If we achieved our vision, what would our facility/community look like?*

- *If our vision was realised, what difference would this make to our customers?*

- *What part can you play in helping to make this vision happen?*

- *What new actions do we need to take to be a part of achieving this vision?*

Q: I get so bogged down in the day-to-day running and demands of my facility and this makes it difficult to prioritise big picture planning. Things are going ok and we seem to be meeting targets, isn't that enough?

A: One of the roles of a manager is to be able to manage the day-to-day demands of a facility and hold the big picture. If you find you are not able to do both efficiently, it is time to stop and review the situation. This could include; blocking out time, assessing the scope of the job and the resources you have to do it, re-evaluating your work priorities, and checking that you are still highly motivated to do the job. Others who could help you with this process include HR, your mentor and your manager.

8   Templates

The following documents are examples of plans from Local Authorities and facilities around the country.

8.1   Strategic plan

8.2   Business plan checklist

8.3   Facility business or action plan

8.4   Project plan

8.5   Business case

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8.1   Strategic plan

The Recreation Wellington Strategic Plan (Wellington City Council) is an example of the increasingly popular illustrated 'plan on a page', which is easy to read and to understand.

RECREATION WELLINGTON
GAME PLAN
2012–2015

Absolutely
POSITIVELY
ME HEKE KI PŌNEKE
WELLINGTON CITY COUNCIL | Wellington

PRIORITIES

1. MAXIMISE ASSETS

1.1   Increase participation to LTP levels while maximising utilisation across all programmes and facilities

1.2   Ensure the maintenance of high quality facility presentation at all times

1.3   Exceed our customers expectations in every area of our business

1.4   Employ 'best practice' business management across the business unit

1.5   Aspire to Zero Harm within all working practices across the business unit

2. TEAM DEVELOPMENT

2.1   Develop a customer centred culture across our entire business

2.2   Create and implement a leadership development framework for the business unit

2.3   Build and maintain a strong and effective Business Unit structure

3. PARTNERSHIPS

3.1   Build strong and effective relationships across a wider range of stakeholders

3.2   Encourage, empower and enable others to deliver quality recreation outcomes across the city

3.3   Increase our links with others to develop positive health outcomes for city residents

4. TECHNOLOGY

4.1   Create and develop monitoring systems that assist with the improvement of operational management and planning

4.2   Roll out and develop the use of Get Smart customer satisfaction system

4.3   Increase and improve the offering of online booking systems for products and services

4.4   Pilot, review and roll out electronic rostering systems

4.5   Undertake a strategic review our operational IT infrastructure to ensure best fit for customers and organisation

2012–2015
GAME PLAN
RECREATION WELLINGTON

MISSION

To facilitate the provision of sport, recreation and healthy lifestyles in Wellington by delivering high quality facilities, programmes and partnerships, which engage over 2 million participants each year, with a 95% level of customer satisfaction, and within approved budgets.

VISION

We will encourage and empower people of all ages to live happier, healthier and more active lives by providing a wide variety of high quality, value for money, sport and recreation opportunities.

MAXIMISE ASSETS

Making the best use of our assets is critical to ensuring that our facilities and services operate at their maximum potential. We will deliver quality facilities and a balance of programmes that increase participation, maximise revenue, meet our customers' expectations, and minimise costs.

PARTNERSHIPS

Believing that we can achieve far more by working in partnership with others than we can on our own, we will work together with a range of partners to help support and deliver quality recreation opportunities across the city.

CUSTOMER CENTRED

To be successful it is vital that we understand the needs, expectations and aspirations of our customers and place them at the heart of all we do.

TEAM DEVELOPMENT

We aspire to be the best recreation team in the country. This requires bold leadership, effective communication and strong values. To this end, we will develop our people and structure to ensure that we deliver outstanding service to our customers.

TECHNOLOGY

Technology continues to change our lives. There is increased emphasis on mobile communication and always being connected. It is important that we use technology that is customer focused, provides easy access to our services, and improves the efficiency of our business.

Cultural Wellbeing
Governance
Environment
Eco City
People Centered
Smart Capital
Absolutely Positively Wellington
Social & Recreational
Economic Wellbeing
Dynamic Central City
Connected City
Transport
Urban Development

Maintain Wellington as a place where people want to live

8.2   Business plan checklist

Items to included in the business plan	✓
Introduction and mission statement	
Purpose	
Executive summary	
Overview	
Market analysis	
Identified key result areas	
Customer service and programmes plan	
Communications plan	
Marketing and promotions plan	
Organisational plan (human resources plan and management administration)	
Asset management plan	
Risk management plan	
Financial plan and budget	
Monitoring and evaluation	

8.3   Facility business or action plan

Topic	Plan details		
Our purpose, vision and values			
We do this by			
Our core functions are:	*1.* *2.* *3.* *Year in review* *Outlook for year(s) ahead*		
Key Facts			
Over reaching driver is:			
	Challenges		
	Opportunities		
	Threats		
Environment	*Challenges*		
	Opportunities		
	Threats		
Vision for the future	*Determining what success looks like means thinking about what key stakeholders would be saying in three – four year time*		
	Stakeholder	*Key messages*	

Principles for working together					
Asset management plans					
Major work programme for coming year					
Major initiatives for coming 12 – 18 months	*What*	*Objective and details*	*Date*	*Responsibility and resourcing*	*Dependencies and or implications*
Major initiatives for coming 18 – 36 months	*What*	*Objective and details*	*Date*	*Responsibility and resourcing*	*Dependencies and or implications*

	Outcome areas (3 – 5 years)		
Pilots to support each outcome for the next three to five years	*What*	*How will it be measured*	*Potential new initiatives*

8.4   Project plan

Developed by Sport Wellington Region

Sport Wellington Region Project Plan					
Prepared by:		**Date prepared:**		**Revision number:**	
Project aim or objective					
Background					
Objectives and outcomes of project					
Relationship to strategic plan, business plan, and developing community sport strategy	**Strategic plan** **Business plan** **Developing community sport strategy**				
External stakeholders and partners					
Project justification					
Constraints and boundaries					

Risks	Countermeasures
Costs	
Advertising	
Communication	Website: E-mail: Promotion: Internal communication:
Logos	
Links	

Organisation		
Project Manager		
Project Lead		
Resources and responsibilities		
Schedule		
Timeframe		
Estimate of hours required		

Project milestones	**Person responsible**	**Timeframe**

Project deliverables	

Performance criteria	
Data	
SMART measures/ outcomes	
Monitoring and evaluation	
Reporting requirements and schedule	

Project approvals			
Project Lead		Date	
Project Manager		Date	
Contributing business unit Manager		Date	
General Manager		Date	

8.5   Business case

Topic	Description[2]
Background	Why or how was the idea conceived? What has been done so far?
Project purpose	Describes the investment proposal in one to two sentences. States what decision-makers are being asked to decide.
Project description	An overview of the proposed project, deliverables and outcomes. If relevant, include a fully detailed description as an appendix with diagrams and samples.
Objectives	What are the project objectives? Ensure they are SMART. What are the targets (could be financial, customer numbers), by when and how will they be evaluated?
Strategic justification	How will this project help to achieve organisation vision, goals and outcomes?
Background research & analysis	Could include previous research, PESTLE analysis, SWOT analysis, competitor analysis, stakeholder analysis.
Target audience	Who are the most likely customers for this project and what is known about them (demographics, geographical location, preferences)? How will this project improve their experience?
Risk and opportunity analysis	What are the potential opportunities? What are the potential risks and how these will be mitigated?
Resources required	What resources will be required such as staff, facility, expertise?
Budget	• Development costs • Investment cost • Best and worst case scenarios • Contingencies • Projected profit/loss
Marketing and communications	What are the marketing objectives, strategies and tactics? How will the effectiveness of the marketing be evaluated?
Roles and responsibilities	Who is responsible for what?
Project timelines	What are the critical completion dates and key milestones?
Evaluation	How will this project be monitored and evaluated?
Recommendations	Provide recommendations - what needs to be approved and by whom?

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[2] *Adapted from the Te Papa National Services: Developing business cases for museum projects*

9 Questions for Educational Context

Developing strategic plans

When developing a strategic plan, consideration of the current situation and the context is paramount. Describe six to eight questions that need to be answered before an organisation is ready to develop its strategic direction and mission statement.

Explain what the acronym SMART objectives means; and write 2 SMART objectives for your facility or for a facility you know.

Business plans

Action plans and business plans are different in content and have different purposes. Describe briefly what each should include and then describe the purpose of each plan.

Describe the main reason or reasons why a business would conduct an evaluation of its business plan and what the outcome of that process might be.

10 References and Further Information

10.1 Further information

Good Governance, No. 34, 2003, Boardworks International

New Zealand legislation at *http://legislation.govt.nz*

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10.2 References

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