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Speaker Key:

EL	Emma Lancaster
TW	Ty Wiggins
MS	Michelle Simpson
DM	David Mackay

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EL Welcome to the Community Colleges Australia Podcast on governance and business management. I'm Emma Lancaster. In this episode you'll find out about strategic planning. Almost every organisation has a strategic plan, but unless the document is easily understood and tells you how you're going to make your plans happen, well, guess what? It might not actually be a strategic plan. We'll be here from Ty Wiggins, the principal at Converge Consulting on why your strategic plan is one of the most important documents your organisation can invest in.

TW There's that famous saying, if you don't know where you're going, any road will get you there. Having a poor strategic plan, a big, wordy document that doesn't actually tell you how you're going to win, or not having a strategy at all, will just mean that you'll end up wherever the market or the clients or the government pulls you. As opposed to where you might need to be.

EL And we'll also be talking about the importance of using a common language and seeking clarity in the strategic planning document, as well as how to engage and excite your board in the strategic planning process. Michelle Simpson, the CEO of Tamworth Community College, along with David Mackay, the Chief Executive Officer of Tuggerah Lakes Community College, will be guiding you through how their organisations have engaged in the strategic planning process. But first up, here's Ty Wiggins.

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Ty, I wanted to ask you about strategic planning. Obviously, most organisations have a strategic plan, but they can be very, very different. Some are great, some aren't so great. I know Michelle Simpson from Tamworth Community College says, your strategic plan needs to fit onto one page, what do you think about this?

TW I'm a big fan of the one page strategic plan, for many reasons. It drives simplicity across the key themes. If you can write a strategic plan into one page, you need to be able to concisely the ideas to a level that it's crystal clear. So, it's much easier to write a 50 page one full of waffle than it is to truncate the key ideas into one page.

I think, in terms of your earlier comment, a lot of organisations have a strategic plan but they don't have a strategy, they have a document full of nice terms and broad ideas, most of which are often wish-lists or goals. A lot of organisation, and I'm speaking outside of colleges now, they just don't have a good handle on their strategy and it causes a lot of frustration.

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And for CEOs especially, across the college, you're responsible for designing and implementing your strategic plan. You need to be clear on the principles that are involved in that and that it actually serves the purpose of what you need to deliver.

EL And so, what is a strategy then? Because it sounds like people aren't really clear. You're saying that they're wish-lists and they're goals for the organisation, so what does a strategy look like or how does it sound?

TW The best way to think about strategy is, strategy is the how in what we're going to do. So, when we look at organisations we think of the mission as why, and mission is often used interchangeably with purpose across community colleges. So, why does the college exist? If we think of the vision, it's where the college wants to go or what it wants to be in a set period of time and there's normally a timeframe around that.

The strategy is the how we're going to get there. So, if you read somebody's strategy in business or in colleges and it doesn't tell you how they're going to succeed or how they're going to compete, it's most likely not a strategy.

EL I think a few people will be learning a few things by you saying that. We're talking about strategy then and actual strategy, how can a strategic plan help your organisation? Why are these documents so important?

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TW The key to strategy is around choices. So, when you have a strategy, what you're saying is we're choosing to do this and not something else. So, these choices present every day within the business, both for the CEO and for all the staff. So, if I have a clear idea of the strategy, how we're setting out to deliver what we're going to deliver and also the vision as to where we need to be going, I can make good decisions as an employee that are aligned with the strategy. And ultimately, employees are keen to do that. We don't want to be doing work that does no good or sends the organisation in a different direction.

So, if we have clarity about the strategy, I can then do things on a day to day basis, week to week basis that helps that move forward.

EL What then, Ty, is the best way to engage the board in strategic planning? How do you get people excited about it, how do you get them involved?

TY The CEO needs to drive the strategy, ultimately, but do so with the staff and with the board. What I find is a challenge across the colleges is that some of the board members are conditioned to think that the strategy needs to be 30 or 50 pages or needs to be for five or ten years. So, changing their mindset around what it actually is and how it should look is very important for the CEO, because if the timeframe is too far, we just can't predict what's going to happen in those timeframes anymore.

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So, we end up with documents that are no good or financial models that are no good. And if we can't get the board to actually agree on the strategic objectives,

the how, it makes it very difficult for the CEO to be able to deliver. So, it's really in the CEO's interest to drive that understanding. And one of the key aspects that lets all organisations down is a lack of common language. So, be clear about when we say strategy here, this is what we mean. When we say vision, this is what we mean. When we say purpose, this is what we mean.

Let's not assume that everyone understands what these terms mean. And once you've got that clarity you'll be able to have conversations at a far quicker pace than if you don't.

EL Before you said that sometimes boards think strategic plans need to be in place for three, five years. What is the number there? Is there a magic number?

TW For our clients we tend to run a strategic plan over 12 months, with a vision for three to five years. So, we refer to the vision as the lantern on the hill, where are we trying to get to? The way we get there and the road we take and the vehicle we take will change over time. And we respond to funding changes, we respond to market changes, but we know the lantern on the hill is where we're going. So, we have shorter term strategic plans so that we can measure success.

So, we favour a 12-month strategic plan with quarterly 90 day plans to help the organisations work towards those outcomes and watching, again, the lantern on the hill to make sure that we're on track for that. But putting detail in about what we're going to be doing in year four is very difficult and it often is a tiring exercise for the CEO and the board.

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So then, how often should an organisation be reviewing their strategic plan? Obviously you said that you're looking at 90 days and then you've got a 12 month period and then you've got your lantern on the hill and that's probably the three to five year period. How often should you be reviewing that and saying, hey, is this actually getting us where we need to go?

TW Annually for the strategic plan, but broken down into quarters to make sure that we're moving towards those outcomes. One of the biggest challenges is that a lot of these strategic plans are sitting in drawers, no-one looks at them until we come back to the planning weekend. So, certainly annually and watching it on a three month basis means that you can actually make changes as you need to.

EL So, where should your strategic plan be if not in the top drawer of the CEO's desk?

TW It should be in every meeting, it should be on desks. The idea of having a one-pager, albeit the one-pager is a decent size page, is that you can put it up around the business and everyone can see what we're trying to do and how we're trying to do that.

EL And do you have any tips on how staff can feed back into the strategic plan? Any kind of practical elements to that?

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TW First they need to understand what choices the organisation is making, and then they should be asking questions as to how they best support those decisions or support those actions. So, it's an A or B sort of question. I've got a client, I could

do this or I could do that, which one helps us get to the lantern on the hill faster? Which one is more aligned with our strategic objectives? And once I know that, it'll be easy for me to make those decision over and over.

EL A community college that is taking their strategic game seriously is Tamworth Community College. At the helm of this is Michhelle Simpson, CEO of the college for the last seven years. She says a strategic plan is good for the CEO/board relationship, as you're setting the guidelines up front. Here's Michelle Simpson.

MS I'm the Executive Officer, so I lead and manage the organisation.

EL So Michelle, can you explain your college's approach to strategic planning?

MS We've got quite a formal approach to strategic planning. We have structured strategic planning sessions every three years with our board and they're usually facilitated by an external facilitator to take the responsibility away from me guiding the strategic plan to where I need it to be and to engage the directors on a different level.

EL Do you find getting that third party in, it frees your thinking up and also perhaps encourages others to step up as well?

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MS Definitely, this is the second time in six years that we've worked with the same fellow. And he guides the conversation in a productive way, so he encourages directors that wouldn't normally speak up in board meetings, so that everyone's got an equal contribution and everyone's contribution's valued. So, yes, definitely makes a difference.

EL And how long have you been doing strategic planning within your organisation and how have you implemented the strategic planning within your organisation?

MS So, I've been there seven years now and I'm actually quite used to a formal strategic structure and I find that if you have a strategic plan that's developed in consultation with the board, that it helps the CEO/board relationship. Because you're setting the guidelines upfront and you're not working at odds with each other or different expectations. So, I've been doing it quite a long time in this role and in previous roles. So, I find that working within a system and within a structure does work much better on all fronts.

EL Why do you think it's important for organisations to develop that vision and that purpose and to have that kind of clarity around strategic planning, strategic thinking for your organisation?

MS I think in the sector that we work in, there's a lot of pressure on organisations to get involved in a lot of things and to service a lot of different areas of the community. And I think if you don't have a written agreed strategic plan, you can get a bit caught in that trap of doing lots of things not terribly well and not doing the one thing that you should be doing really well.

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And having a strategic plan the way that we do it also identifies the areas where we've decided not to play. So, if you get to a board meeting and someone comes up with an idea and it's something that we've written off and it's written in the

strategic plan that we're not going to play in this particular area, we're not going to teach hairdressing, for instance. But someone joins the board and is passionate about hairdressing apprentices, you can just close down that conversation quickly because it's not in the strategic plan, we've decided not to play there at this point in time and move on to what we need to address at the time.

EL And so, part of strategic planning is determining where you are in the market right now, is that sometimes harder than you might expect?

MS It is, because a lot of factors influence where you are in the market and I think from a board perspective, when they're in the local community, again, there's pressure to do other things in your organisation. And if it's not in our strategic plan we won't be doing it and where we're positioned in the market there's this whole section, a number of hours devoted to where we are positioned in the market and then encouraging the board members not to focus on our competition but focus on ourselves.

So that we know what we're doing, we know what we do well and don't beat ourselves up because TAFE's doing something else or a private RTO's doing something else. We know what we're doing, we've got our focus, we've got our vision, we've got our mission. And that's where we put our energies.

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EL And how is it that you go about engaging your board in strategic planning? Is it something that you have to win people over on, or that people are willing and have excitement about it? Or how are you getting people excited and engaged when it comes to strategic planning?

MS I think because board members are generally volunteers in the community and not necessarily have been involved in formal strategic planning before, I think it's important to set the guidelines early. I sent out a briefing paper and pulled out some information about the institute of company directors magazines, not so it looks like it's all come from me, it's come from people who are experts in the area of strategic planning.

And I think it's important to make each of the directors feel that their contribution is valued. So, it's important that there's a transparency, there's good reporting guidelines. Not to make assumptions that they do understand what strategic planning is. You have to appreciate where the directors' background... Where they're coming from, so did they work in the public sector or TAFE or the private sector, so their comments come from their own experiences.

I think directors need to be invited to events and conferences so they speak to other directors about what the strategy is for those organisations and be aware of the risk of not adopting all the ideas, but stick to our strategy that works in our community. On a regular basis, for all our board meetings, every director gets the opportunity to deliver a ten minute PD session at the end of the board meeting.

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So, it could be based on the strategy of our organisation. Or it could be based on the strategy of an organisation that they've worked with previously, so that the knowledge that they've got, their experience makes them feel valued, that they're

listened to for their strengths that they've got in their relative areas. We try to recruit directors that have got varied skills and varied experiences to give us some diversity on the board.

And I think it's important to draw out the quieter directors. There'll always be someone who will dominate the conversation, but often the best ideas come from the quietest person so it is important to make everybody feel equally valued and that their contribution is equally valued. And in the course of strategic planning sessions or even board meetings. Follow the appropriate protocols and make sure everybody's aware of what the protocols of governance are.

EL So, with strategic planning you're looking at the horizon, do you ever find there's a conflict between planning for the future and having a strategy around it when funding can often be year to year?

MS Definitely. And I think that's where you have to be nimble and a bit resilient and definitely nimble and able to respond to opportunities. Whilst there's a strategic plan over three years, there's also a one year annual plan, which gives up a bit of scope for movement if a funding opportunity does come about. So, we actually, our strategic plan sits all on one page and it's presented at every board meeting. And if an opportunity has come out of the blue for something to do with funding, I suppose, that does fit with our vision and mission, it's not completely off the table and it can be discussed and we can seize an opportunity if there's one there.

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EL That was Michelle Simpson from Tamworth Community College. Now, David Mackay is from Tuggerah lakes Community College and he says a strategic plan is about setting a direction for the organisation, providing goals that can be measured. And when the goals are achieved, a good strategic document will help you note that success. Here's David Mackay.

DM Our approach to strategic planning is to have basically a three year strategic plan. And that plan includes our purpose in terms of why we do what we do. Our mission in terms of how we get there. Our vision in looking at where we're heading to. Our values, such as integrity, level of service and approach. And of course our strategic outcomes for the three year period, including how we'll achieve these and how we want to measure them.

So, it's basically a broad picture and we support our strategic plan with annual business plans and these include operational goals and targets, marketing, quality management, financial management and risk management planning. So, that's in the annual business plan to support the three year strategic plan.

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EL How has your strategic planning or strategic plan for your college helped your organisation? Do you have any clear examples of success or some clear outcomes that have come about because of it?

DM Well, our strategic plans helped the organisation in terms of giving a sense of direction, providing goals that we can measure. And these goals, when they're achieved, provide a sense of success. And this has included, for example, excellent learning experience for students was a measurable goal which we were

able to track. Through to improving financial viability which was a measurable goal which we were able to track as well over time.

So, basically for us, the planning process in strategic planning is a tool we use for focusing energy, resources and everyone's time in the same direction.

EL That was David Mackay, the Chief Executive Officer of Tuggerah Lakes Community College. You've been listening to the Community Colleges Australia Podcast season two. This podcast is produced for Community Colleges Australia by Heaps Good media, engineered by Miles Martignoni and produced and presented by me, Emma Lancaster. This series has been produced with funding from the New South Wales Department of Industry.

On the next episode of season two Community Colleges Australia Podcast, we speak to a human resources expert and take a look at recruitment, retention and development of staff in the adult education staff. Thanks for listening. If you'd like to know more, visit cca.edu.au.