



**Division of  
the Budget**

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<b>BUDGET BULLETIN</b>	<b>B-1220</b>	<b>October 11, 2016</b>
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**TO: ALL DEPARTMENT AND AGENCY HEADS**

**FROM: Robert F. Mujica, Jr.** 

**SUBJECT: Development of Agency Strategic, Annual Performance, and Lean Process Improvement Plans**

The purpose of this bulletin is to outline requirements for the development of agency (i) Strategic, (ii) Annual Performance, and (iii) Lean Process Improvement Plans, all of which will be submitted to the Division of the Budget (DOB) and the Executive Chamber.

The agency **Strategic Plan** establishes what the agency will do over the next three years to support the mission and vision of the agency and the goals of New York State. The Strategic Plan lays out long-term goals and objectives and identifies the related performance measures and targets that describe what the agency intends to achieve over the course of those three years (FY 2018 through FY 2020). For additional guidance on developing the agency Strategic Plan, please see “Strategic Planning Guidance” (Attachment A).

The **Annual Performance Plan** is integral to the successful execution of the agency Strategic Plan. The goals, objectives and performance targets identified in the Strategic Plan provide the basis for assessing, in conjunction with Annual Performance Plans, progress toward achieving those goals and objectives. Each year, the annual performance planning process evaluates actual progress against planned outcomes, establishes new performance targets for the upcoming fiscal year and adjusts related activities in order to ensure the goals laid out in the agency Strategic Plan are achieved. For additional guidance on developing the Annual Performance Plan, please see “Annual Performance Plan Guidance” (Attachment B).

The **Lean Process Improvement Plan** is comprised of Lean projects the agency will undertake to enable it to most effectively achieve agency strategic goals. For additional guidance on developing the Lean Process Improvement Plan, please see “Lean Process Improvement Plan Guidance” (Attachment C).

Agencies are required to submit a completed agency **Strategic Plan** (Template A), **Annual Performance Plan** (Template B), and **Lean Process Improvement Plan** (Template C) by November 1, 2016. These plans should be completed by following the instructions embedded within the templates and should be clearly named in a manner which identifies the agency.

Please submit any questions related to this bulletin, the Agency Strategic, Annual Performance, or Lean Process Improvement Plans, to [dob.sm.plans](http://dob.sm.plans) by October 14, 2016. These questions will be collected and responded to in a supplementary FAQ document.

## **Overview**

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Commencing with the FY 2018 budget, State agencies will work with the DOB, Executive Chamber, and the Lean Office to develop agency Strategic, Annual Performance, and Lean Process Improvement Plans.

The agency Strategic, Annual Performance and Lean Process Improvement Plans should align with the agency's mission. Each agency's Strategic Plan should clearly communicate how the agency plans to achieve results and desired outcomes over the next three years. Each agency's Annual Performance Plan should outline goals for the upcoming fiscal year that will help the agency move towards achieving the Strategic Plan goals and should identify performance targets that will inform their progress. Additionally, any significant requests for enterprise or IT-related investment (such as those presented as part of the Information Technology Strategic Planning Board process) should align with the Strategic and Annual Performance Plans.

The Lean Process Improvement Plan should identify Lean projects that will help agencies to realize the goals outlined in the agency Strategic and Annual Performance Plans.

Agencies are encouraged to use evidence based evaluation (e.g. evaluations, research studies, audits, pilot programs) to inform the strategic planning process.

To facilitate the timely completion of the Plans and identification of Lean projects, agencies should collaborate with DOB, the Executive Chamber and the NYS Lean Office on an ongoing basis.

## **Templates and Submission Process**

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As referenced above, agencies must submit 3 individually completed Strategic, Annual Performance, and Lean Process Improvement Plan templates. The content of each template is briefly outlined below. More detailed guidance for completing each template is provided within the template itself.

- **Agency Strategic Plan** (Template A)
  - Mission Statement: describes the agency's purpose;

- Environmental Factors: should consider the strengths, improvement areas, opportunities, and threats to the agency both internally and externally;
  - Vision Statement: describes the agency at its optimum performance;
  - Strategic Goals, Objectives, Performance Measures and Targets: outline what the agency wants to accomplish in the next three years, actions it will take to do so, and targets which will indicate success; and,
  - Evidence and Data Collection: details any methods and information agencies are currently utilizing (e.g. evaluations, research studies, audits, pilot programs) to inform their Strategic Plans.
- **Annual Performance Plan (Template B)**
    - Mission Statement: reiterated from the Strategic Plan;
    - Vision Statement: reiterated from the Strategic Plan;
    - Goals and Objectives: for the upcoming fiscal year with responsible division identified (directly related to the Strategic Plan goals and objectives with additional details on actions for the upcoming year); and,
    - Performance Measures and Targets: measures are the same as in the Strategic Plan with targets for the upcoming fiscal year.
- **Lean Process Improvement Plan (Template C)**
    - Lean Projects: a list of all projects for the current and upcoming fiscal year, including a brief description of each project;
    - Estimated Completion Date: for each project;
    - Project Relevancy: Identification of how Lean projects have a direct correlation to the agency Strategic and Annual Performance Plan goals (current year projects are not required to complete this identification);
    - Project Type: for each project (mission critical, customer service, support service-related, new legislation-related, and/or a Governor's initiative); and
    - Project Impacts: for each project (anticipating costs saved or avoided, revenue potential, cycle time or response time improvements, and/or process cycle efficiency).

## Strategic Planning Guidance

### Purpose and Scope

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The purpose of this document is to advise agencies of the elements that comprise a Strategic Plan and to provide an explanation of the analysis which should take place in order to make the agency's Strategic Plan viable. These plans will ensure consistency with both a statewide performance management strategy and the budget process.

### Agency Strategic Planning in New York State

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In preparation for the upcoming Budget, State agencies will work with the DOB, the Executive Chamber and the NYS Lean Office to develop a three year Strategic Plan (covering FY 2018 through FY 2020) in order to evaluate agency-specific operations, identify areas where progress is most essential, and create and execute a plan for the future. The Strategic Plan should not, however, be a binding document that prevents agencies from learning from experiences and adapting their plans to changing circumstances. Additionally, agencies will complete Annual Performance Plans to provide one-year snapshots of the progress they plan to make by the end of the upcoming fiscal year toward achieving their Strategic Plan goals and objectives, as further outlined in Attachment B.

### What is Strategic Planning?

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Strategic planning provides a decision-making framework that enables agencies to effectively plan for long-term goals and properly communicate the agency's vision for the future to their staff, stakeholders and the citizens of New York. When undertaking the strategic planning process, agencies should establish what they will work to achieve over the next three years to support their mission and vision. The strategic planning process identifies the long-term goals and objectives the agency aims to achieve and outlines actions the agency will take to realize those goals.

Effective organizations regularly take time to ask and answer a few critical questions as part of the strategic planning process:

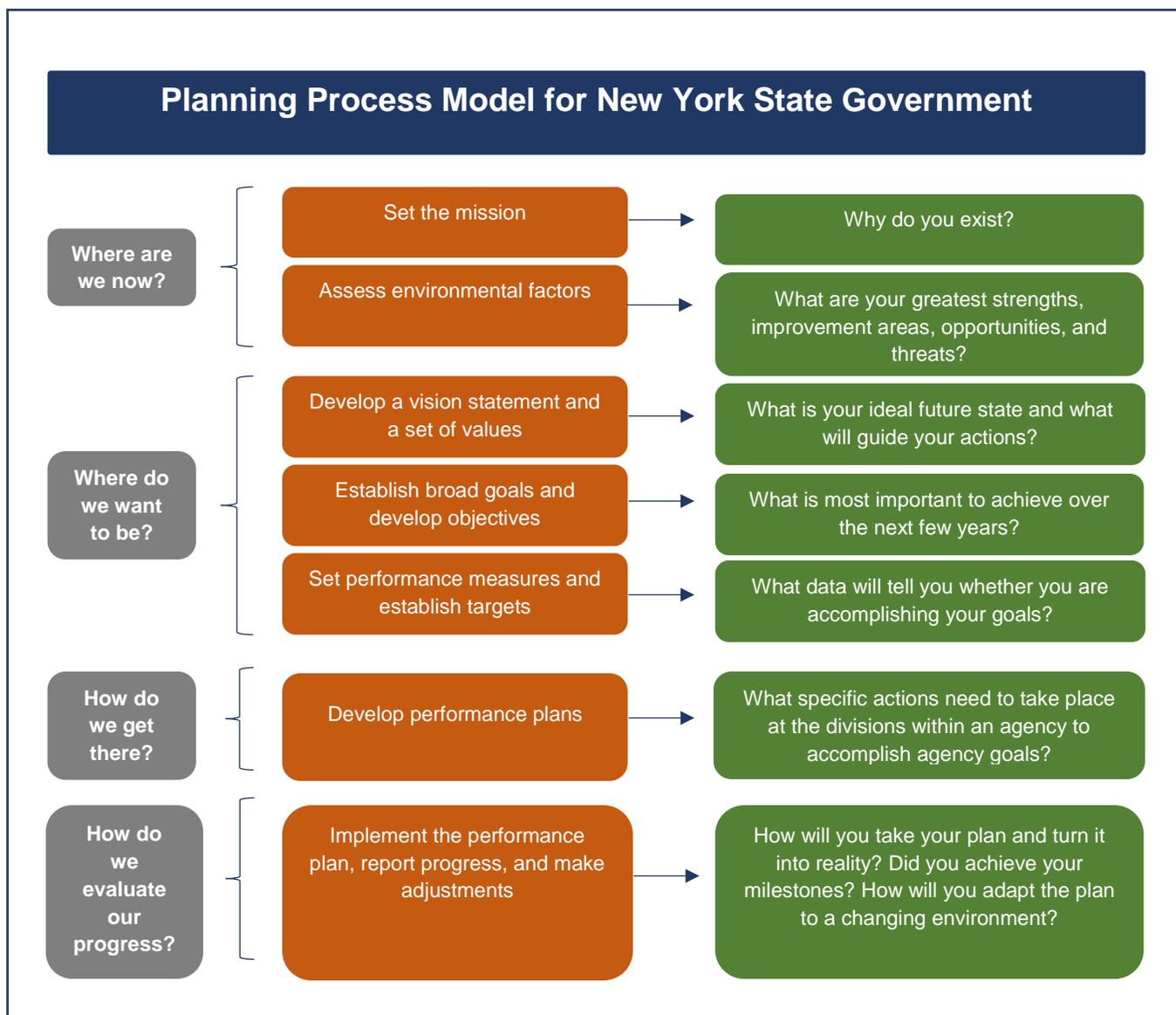
- What do we do and for whom?
- What are our main products and services?
- Who are the customers of those products and services?
- Where are we today?
- Where do we want to be in the future?
- How do we close the gap?
- How will we know if we are succeeding?

Strategic planning in the public sector should aim to answer these additional questions:

- What is the desired social outcome, or “public good” we want to achieve?
- How do we expect to contribute to the desired final outcome?
- What resources will we need to implement these strategies?

The most valuable part of the agency’s Strategic Plan is the periodic process of confirming goals, assessing progress toward an outcome, evaluating what is effective and what is not, and adjusting strategies to improve performance. The planning process should also incorporate a broad range of perspectives from across an agency. Figure 1 details the planning process model for New York State.

Figure 1: Planning Process Model for New York State Government Agency Strategic Plan Elements



Responsibility for development of the Strategic Plan belongs to agency leadership. Each agency will determine who is involved in developing the plan. These individuals shall have a broad understanding as to how the entire agency operates and how each core functional area of the agency fits together to achieve the overall mission.

In general, an agency Strategic Plan is completed at the agency level. For some larger agencies in particular, developing plans for the individual divisions within the agency first and then combining these division plans into an overall agency Strategic Plan may better meet the agency's needs. It is expected that the strategic planning efforts are distributed across all divisions in order to achieve a cross-cutting effect that ensures agency coherence and efficiency.

An agency Strategic Plan consists of five elements that must be submitted (Template A):

1. Agency mission statement;
2. Assessment of external and internal environmental factors;
3. Agency vision statement;
4. a) Goals and b) objectives; and
5. a) Performance measures and b) targets

While the above elements are those that must be included in the submitted Strategic Plan, agencies are highly encouraged to develop more comprehensive packages outlining their Strategic Plan in further detail. These more detailed plans, while not required for submission, can be useful documents to help guide the agency toward fulfilling their mission. For example, a more comprehensive Strategic Plan package should describe major management challenges the agency faces, identify planned actions to address such challenges and which agency official will be responsible for carrying out those actions.

## **Element Descriptions**

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### **Element 1: Mission Statement**

Identifying why an agency exists is a critical component of strategic planning as it guides the rest of the Strategic Plan and the actions of the organization. The mission statement will be a practical tool to make decisions surrounding priorities, actions and responsibilities. The mission should simply describe in a direct and concise sentence what the organization does, why it does this and for whom. It should be easy to understand, simple, focused, and relevant.

### **Element 2: Environmental Factors**

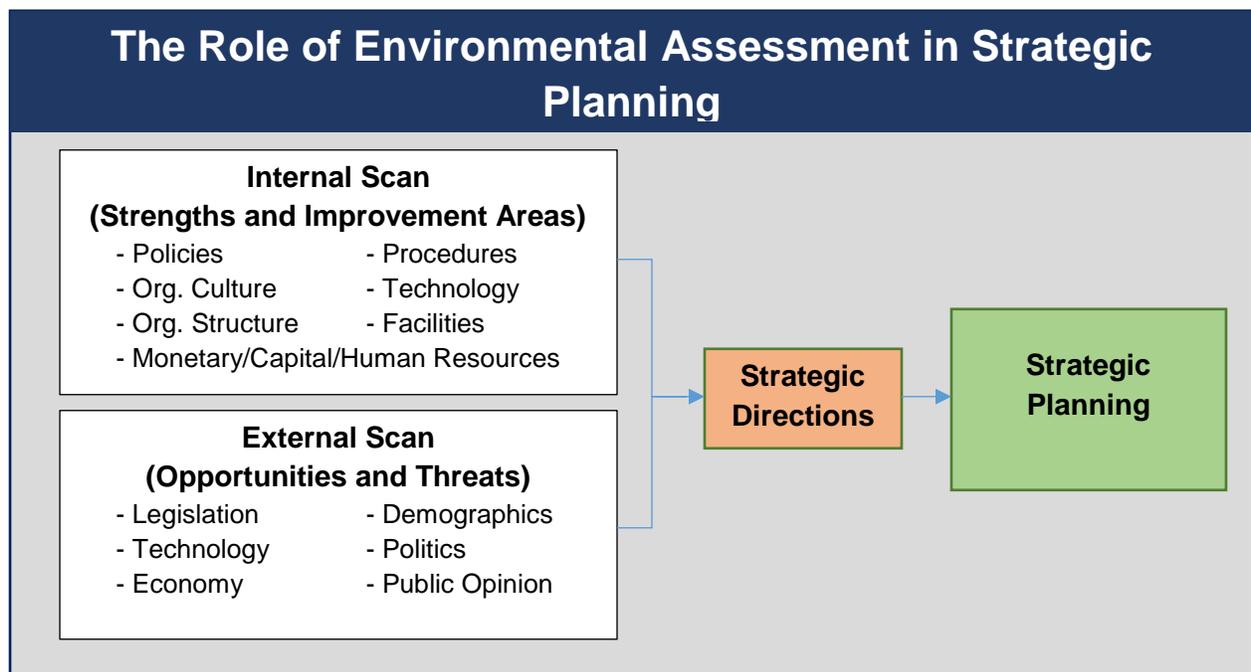
The strategic planning process provides a good opportunity for an agency to perform an environmental assessment which examines the internal and external factors that can

impact its ability to accomplish agency mission, goals, and objectives. Awareness of these internal and external factors informs the strategic planning process and allows for proactive planning. Examples of questions to consider include the following:

- What are key workforce issues that affect agency performance?
- What workforce issues must be addressed to achieve business goals?
- Do you see a need or opportunity for changes in service delivery methods?
- Will your strategies require an increase in staff and, thus, a need for more space? Will they require changes in the type of space? Are there pressing facility maintenance and operations needs or requirements?
- What is the current technology environment? What are the capabilities and risks afforded by your current technology environment?
- How can additional staff, space, operations, and technology needs be accommodated within current fiscal constraints?
- Are there trends in revenue sources, fund balance changes, or cost pressures that may affect your financial sustainability?
- What is happening in our environment that we can't control, but will impact the organization?

Under an environmental assessment, an agency explicitly identifies internal factors (strengths and improvement areas) and external factors (opportunities and threats) that may impact its ability to achieve results. This analysis can be used to develop strategies to capitalize on positive factors (strengths and opportunities) and mitigate adverse factors (improvement areas, and threats). This information should be collected, analyzed, and summarized for use in an agency's planning efforts as shown in Figure 2.

Figure 2: The Role of Environmental Assessment in Strategic Planning



### **Element 3: Vision Statement**

The vision statement clearly paints an aspirational picture of where the agency sees itself in the future. The vision statement should be both realistic and challenging, as this desired end-state will motivate and drive agency results. It can be general and does not need to include specifics. The vision describes a future identity while the mission serves as an ongoing and time-independent guide. The mission describes why it is important to achieve the vision.

### **Element 4: Goals and Objectives**

#### **a) Goals**

**Goals** are broad statements of what an agency wants to achieve over a long period of time. They stretch and challenge an agency while being realistic and achievable, and help provide answers to the question, “Where do we want to be?” They should reflect the agency’s major areas of responsibility for delivering services to New Yorkers.

An effective strategic goal is a broad, long-term outcome that supports implementation of the agency mission. The desired end-state should be reflected in the statement, without being overly specific in its detail. While the statement of the goal does not need to be specific, goals should have the ability to be assessed using the SMART framework (Specific, Measurable, Achievable, Realistic, and Timely). It is important that agency Strategic Plans include goals that not only aim to achieve a certain quantity of effort, but also aim to achieve quality of that effort. Agencies should aim to include three to five high-level goals in the Strategic Plan, which should collectively touch on each core functional area of the agency.

During the goal development process, an agency should answer the following questions:

- Are the goals in harmony with the agency’s mission and will achievement of the goals fulfill or help fulfill the agency’s mission?
- Are the goals derived from the environmental assessment and do they reflect responses to identified factors?
- Do the goals provide a clear direction for agency action?
- Do the goals reflect agency priorities?

#### **b) Objectives**

**Objectives** are clear targets for specific action that define how an agency will work to achieve a particular goal. They are steps in the effort to achieve an agency’s mission which are measurable. Objectives represent the extent to which agency goals will be achieved at the end of the three years covered by the Strategic Plan. Strategic objectives should address the outcome or management impact the agency is trying to achieve.

Each strategic objective will support a strategic goal by providing a specific outcome that the agency is trying to achieve. Agencies should aim to provide at least two strategic objectives for each strategic goal listed in priority order.

The following questions should help an agency assess its objectives:

- Is the objective clearly related to the stated goal?
- Does the objective clearly state what the agency intends to accomplish?
- Does the objective have specific targets and time frames? Can progress toward completion of the objective be measured?
- Is the objective aggressive and challenging, yet realistic and attainable within available resources?
- How does it compare with the objectives of other states?
- Will someone unfamiliar with the program understand what the objective means?

### **Element 5: Performance Measures and Targets**

Performance measurement is a key element in achieving the goals and objectives that are identified as part of an agency's Strategic Plan. Identifying performance measures that can be used to incrementally assess progress toward achieving a particular goal and objective, and establishing explicit targets for those measures, further refines the answer to the question, "Where do we want to be?" at the end of the planning horizon. Performance measures and targets should be developed for each Strategic Plan objective and are expected to be reported on an annual basis. In this way, the Annual Performance Plan targets will act as guideposts for judging whether progress is being made in achieving goals on schedule and at the levels originally envisioned.

**Performance Measures** outline the criteria that will be assessed in order to know whether progress is being made, as in "What is being measured?"

**Targets** set a specific, numeric measurement that the agency hopes to achieve in the given timeframe.

Performance measurement gives life to the mission and goals of an agency and its programs by providing a framework that lets each employee know how they contribute to the agency's success. Effective performance measures and explicit targets serve as agents for change. They bring an agency's work into focus by describing in concrete terms what will be produced and by orienting stakeholders to the tasks to be accomplished.

They should provide a basis for answering the following questions:

- How well are we doing?
- Are we meeting our goals?
- Are our customers satisfied?
- Where are improvements necessary?
- What has been missed?

## **Additional Performance Measures Guidance**

Performance measures and targets provide factual information used in making decisions for the planning, budgeting, management, and evaluation of government services. These measures can inform decision makers on a wide variety of topics, including quantity, efficiency, quality, effectiveness, and impact. Credible, timely performance data is essential to having an effective performance management system and to accomplishing agencies goals. Agencies should also ensure that the measures they are developing are:

### **Informative**

Measurement information must add value to the discussion. The focus of performance management systems is on using performance information to make decisions, so it is critical that managers and decision makers have confidence in the information, and that it can be used to make well-informed decisions.

### **Well-Understood**

Measurement definitions must be transparent so data collectors, managers, and policy makers are clear on the data's meaning and are able to use the information appropriately.

### **Relevant**

Measurement information must be appropriate for the audience for which it is intended – managers, budget directors, elected officials, or citizens. If measures are not relevant to the situation and meaningful to the audience, they will not be used. To accommodate a diversity of interests, measures should be developed so that they serve multiple stakeholder groups.

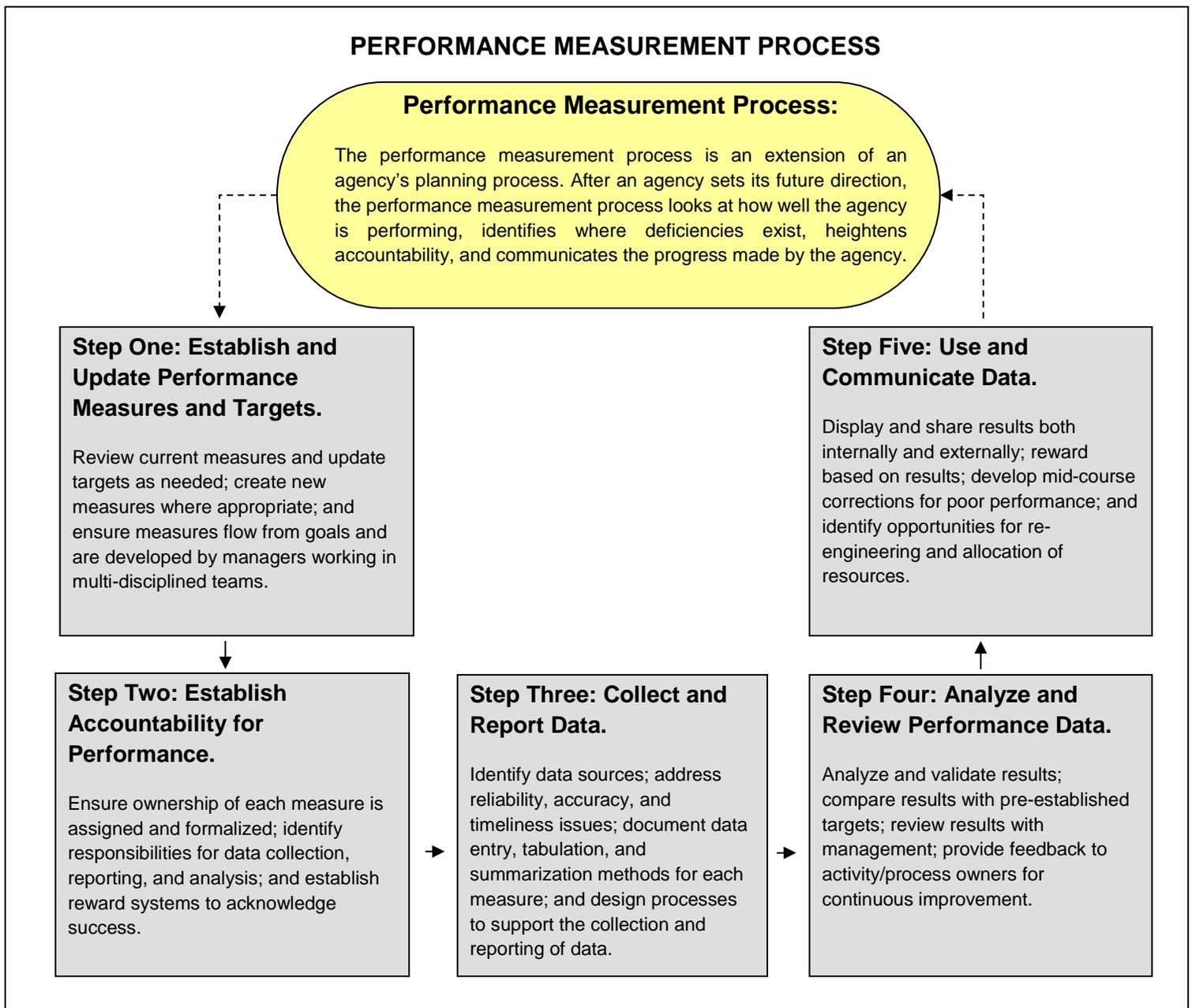
When developing measures, it is best to keep things simple. There is no advantage to tracking hundreds of performance measures that are never used. It is important, however, to collect the right measures. A good set of measures provides a complete picture of an agency's performance. Agencies are strongly encouraged to collect benchmark data in a timely manner to ensure that data is available both substantively and in the format desired. Such data should be driven by what works and what does not, and evidence (e.g. evaluations, research studies, audits, pilot programs, etc.) that identifies the greatest needs and opportunities for the purpose of which public funds are being used. If data is not readily available, a different measure should be selected at the outset of the strategic planning process.

Targets associated with each measure should be both realistic enough for the given timeframe as well as challenging enough that they will move the agency towards achieving their goals and objectives.

## Performance Measurement Process

Figure 3 describes the recommended performance measurement process. It is advisable that agencies follow this process to develop a strong set of measures that ensure effective tracking of performance and clear reporting. The process includes establishing and updating what to measure, establishing accountability for collecting and reporting data, analyzing data to gauge performance and improve operations, and reporting performance to both internal and external stakeholders.

Figure 3: Performance Measurement Process



## Strategic Planning Best Practices

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A good strategic planning process will help the agency to:

- Identify an agency's mission, core business processes, primary customers, and stakeholders;
- Articulate an agency's vision and values;
- Focus on a limited number of key priorities and outcomes;
- Set clear goals and measureable objectives for priority outcomes;
- Analyze external forces that influence the ability to achieve the mission;
- Assess internal capacity to deliver services and manage effectively;
- Develop strategies that will, when implemented, achieve the objectives;
- Establish performance measures and targets to determine if strategies are successful at meeting objectives;
- Maximize the benefit provided by enterprise services and agencies (e.g. ITS, OGS, SFS);
- Implement the plan through resource and staffing decisions and operational plans;
- Regularly monitor progress; and
- Involve leaders, managers, employees, customers, and stakeholders throughout the process as appropriate.

When done well, strategic planning helps agency leaders to organize, direct, and support goals, strategies and actions, leading to desired results. Agencies will be required to review their plan on an annual basis and if appropriate, refine the plan.

### Example Agency Strategic Plan Elements *(for illustrative purposes only)*

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#### 1) Mission Statement:

- As a scientific entity, it is our mission to serve the lifelong educational needs of visitors through our collections, exhibitions, scholarship, programs, media and publications. We strive to explore and express significant natural and cultural diversity, past and present.

#### 2) Environmental Factors:

- External Factor: New media and social networking – Technology – New tools and technologies will exponentially broaden our access worldwide; however, we also must leverage these new technologies effectively in order to remain relevant to visitors who come from around the world.

- Internal Factor: Lack of physical space – Facilities – Collections are fundamental to our work and to that of countless scholars and many agencies; it is our responsibility to preserve them for future generations. In order to ensure they remain available, we will improve collections storage and management, substantially expand access to collections through digital technologies, and build public/private partnerships that strategically enhance collections care.

3) Vision Statement:

- Shaping the future by preserving our heritage, discovering new knowledge, and sharing our resources with the world.

4a) Strategic Plan Goal:

- Be the trusted, authoritative organization for credible, impartial scientific expertise and data to inform global initiatives and policy formulation related to the sustainability of biodiversity and ecosystems.

4b) Strategic Plan Objectives:

- I. Capitalize on the agency's reputation and status to convene conferences, symposia, and workshops of experts and policy makers on current issues.
- II. Digitize the agency's science collections and develop new ways to analyze, integrate, and share this information in formats appropriate to different audiences.

5a) Strategic Plan Performance Measure:

- I. Attendance at symposia on key areas of global concern.
- II. Rate of digitization.

5b) Strategic Plan Targets (3-year):

- I. Increase attendance at symposia by 30%.
- II. Double the current rate of digitization.

6) Evidence and Data Collection

- I. We have undertaken a pilot program that has demonstrated that use of social increases attendance at symposia.
- II. A recent research study indicates that young adult access to digital scientific materials increases the likelihood of completing a high school degree.

## Definitions

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**Environmental factors:** impact the agency's ability to accomplish their mission, goals, and objectives can be *external* (e.g. legislation, demographics, technology, politics, economy, and public opinion) or *internal* (e.g. policies, organizational culture, organization structure, monetary/capital/human resources, procedures, technology, and facilities) in nature.

**Evidence:** available body of facts or information indicating whether a belief or proposition is true or valid; can be quantitative or qualitative and may come from a variety of sources including: performance measurement, evaluations, statistical series, retrospective reviews, and other data analytics and research.

**Goals:** broad statements of what an agency wants to achieve over a long period of time; should reflect the agency's major areas of responsibility for delivering services to New Yorkers; may be subdivided into multiple objectives.

**Measures:** describe *what* is being measured to ensure effective and efficient use of resources; enable agencies to objectively gauge and report progress in achieving their goals.

**Mission Statement:** the reason for an agency's existence; succinctly identifies what the agency does, why, and for whom.

**Objectives:** clear target for specific action; interim steps toward achieving an agency's mission and long term goals; should address the outcome or management impact the agency is trying to achieve.

**SMART framework:** acronym for Specific, Measurable, Achievable, Realistic, and Timely.

**Strategic Planning:** a decision-making framework that enables agencies to effectively plan for long-term goals and properly communicate the agency's vision for the future to their staff, stakeholders and the citizens of New York.

**Targets:** numerically define the desired level of performance for each measure to be achieved in a given amount of time.

**Vision Statement:** paints an aspirational picture of how the agency sees itself in the future; should be both realistic and challenging as this desired end-state will motivate and drive agency results.

## **Annual Performance Plan Guidance**

### **Purpose and Scope**

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The purpose of this document is to advise agencies of Annual Performance Plan requirements and to provide guidance on how to build a high quality Annual Performance Plan. These plans will ensure consistency with both a statewide performance management strategy and the budget process.

### **What is an Annual Performance Plan?**

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The Annual Performance Plan outlines the agency's projected level of performance to be achieved during the next fiscal year. By creating this one year snapshot of projected agency performance, agencies communicate expected progress toward the goals and objectives outlined in their broader, three year Strategic Plans. This is accomplished by using performance measures to identify success and opportunities for improvement. In order to stay on track with the Strategic Plan goals and objectives, agencies should develop specific annual targets for the previously established performance measures of the Strategic Plan.

### **How does the Annual Performance Plan relate to the Strategic Plan?**

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The goals and objectives in the Annual Performance Plan should be directly related to those in the Strategic Plan but can vary somewhat in order to include finer details as to how progress will be made in the upcoming year. The Strategic Plan involves the identification of strategic goals to help meet an agency's vision while Annual Performance Plan should provide a stronger linkage to the day-to-day activities of managers and their staff by specifying the division responsible for each goal. The Annual Performance Plan should provide context to the agency's budget request by identifying the key milestones that an agency will pursue in the coming year.

### **Annual Performance Plan Required Elements**

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In general, an Annual Performance Plan is completed at the agency level. In some instances, developing plans for individual divisions within the agency first and then combining these division plans into an overall agency Annual Performance Plan may better meet the agency's needs. Additionally, these plans may take on a hierarchical order, showing what goals need to be accomplished at each level in order for the next level to meet its own goals.

Regardless of individual agency preference, agency Annual Performance Plans must contain the following four elements to be submitted (Template B):

1. Reiteration of the agency **mission statement** from the Strategic Plan;
2. Reiteration of the agency **vision statement** from the Strategic Plan;
3. a) **Goals** and b) **objectives** for the upcoming fiscal year (directly related to the goals and objectives of the Strategic Plan but with flexibility to include more detail for plans in the upcoming fiscal year);
4. a) Reiteration of the performance **measures** from the Strategic Plan and b) **targets** for the goals and objectives of the upcoming fiscal year.

While the above elements that must be submitted, agencies should develop more comprehensive packages outlining their Annual Performance Plan in further detail. Although not required for submission, these more detailed plans can be useful documents to help guide the agency toward fulfilling its mission.

## **Element Descriptions**

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### **Element 1: Mission Statement**

The Annual Performance Plan template asks agencies to reiterate their mission statement as outlined in the Strategic Plan in order to provide context to the Annual Performance Plan and allow it to be a stand-alone document.

*Please see Attachment A, "Strategic Planning Guidance," for further detail on mission statements.*

### **Element 2: Vision Statement**

Similarly, the Annual Performance Plan template asks agencies to reiterate their vision statement as outlined in the Strategic Plan in order to provide context to the Annual Performance Plan document.

*Please see Attachment A, "Strategic Planning Guidance," for further detail on vision statements.*

### **Element 3: Goals and Objectives**

#### **a) Goals**

Each Annual Performance Plan goal should directly correspond to a long-term Strategic Plan goal. However, an agency performance plan goal could include a more detailed statement about specific actions for the upcoming year. These goals should drive much of the daily operations of the agency. Collectively, these goals should touch on each core functional area of the agency.

In their Annual Performance Plan, agencies should identify the division responsible for ensuring that each goal is met.

## **b) Objectives**

Each Annual Performance Plan objective should directly correspond to a long-term Strategic Plan objective. As with the goals, Annual Performance Plan objectives can also provide additional detail about what agencies plan to do specifically during the upcoming fiscal year.

*Please see Attachment A, “Strategic Planning Guidance,” for further detail on goals and objectives.*

## **Element 4: Performance Measures and Targets**

In the Annual Performance Plan, agencies must utilize the same performance measures outlined in the Strategic Plan. The Annual Performance Plans will be used to incrementally assess progress toward achieving each set of strategic goals and objectives through the examination of explicitly established yearly targets for these measures. Annual Performance Plan targets should define the level of performance to be achieved in the next fiscal year (as an increment toward achieving the longer-term, 3-year targets outlined in the Strategic Plan).

Agencies need to determine the current performance level based on available data before identifying the optimal target level. The purpose of target setting is not to set arbitrary or easily achieved levels, but to achieve challenging outcomes that will drive progress towards the agency’s Annual Performance and Strategic Plan goals.

*Please see Attachment A, “Strategic Planning Guidance,” for further detail on performance measures, targets, and the performance measurement process.*

## **Example Agency Annual Performance Plan Elements** *(for illustrative purposes only)*

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### 1) Mission Statement (reiteration from Strategic Plan):

- As a scientific entity, it is our mission to serve the lifelong educational needs of visitors through our collections, exhibitions, scholarship, programs, media and publications. We strive to explore and express significant natural and cultural diversity, past and present.

### 2) Vision Statement (reiteration from Strategic Plan):

- Shaping the future by preserving our heritage, discovering new knowledge, and sharing our resources with the world.

- 3a) Annual Performance Plan Goal (reiteration from Strategic Plan, with added responsible unit and flexibility to include additional information regarding the upcoming fiscal year):
- Be the trusted, authoritative organization for credible, impartial scientific expertise and data to inform global initiatives and policy formulation related to the sustainability of biodiversity and ecosystems. This year, we are planning on applying for additional certification in various fields of study.
- 3b) Annual Performance Plan Objectives (reiteration from Strategic Plan with additional information regarding the upcoming fiscal year):
- I. Capitalize on the agency's reputation and status to convene conferences, symposia, and workshops of experts and policy makers on current issues. We are currently planning our largest conference to date for this upcoming fiscal year.
  - II. Digitize the agency's science collections and develop new ways to analyze, integrate, and share this information in formats appropriate to different audiences. This upcoming fiscal year includes plans for a new database on our homepage.
- 4a) Annual Performance Plan Performance Measure (Reiteration of Strategic Plan Measure):
- I. Attendance at symposia on key areas of global concern.
  - II. Rate of digitization
- 4b) Annual Performance Plan Target (1-year):
- I. Increase attendance at symposia by 10%.
  - II. Increase the current rate of digitization by 33%.

## Definitions

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**Goals:** broad statements of what an agency wants to achieve over a long period of time; should reflect the agency's major areas of responsibility for delivering services to New Yorkers; may be subdivided into multiple objectives.

**Measures:** describe *what* is being measured to ensure effective and efficient use of resources; enable agencies to objectively gauge and report progress in achieving their goals.

**Mission Statement:** the reason for an agency's existence; succinctly identifies what the agency does, why, and for whom.

**Objectives:** clear target for specific action; interim steps toward achieving an agency's mission and long term goals.

**Targets:** numerically define the desired level of performance for each measure to be achieved in a given amount of time.

**Vision Statement:** paints an aspirational picture of how the agency sees itself in the future; should be both realistic and challenging as this desired end-state will motivate and drive agency results.

## Lean Process Improvement Plan Guidance

### Purpose and Scope

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The purpose of this document is to advise agencies of Lean Process Improvement Plan requirements. These plans will ensure consistency with both a statewide performance management strategy and the budget process. Lean process improvement projects should set out to transform and improve the services provided to New York citizens, businesses, and other consumers.

### Lean Program in New York State

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Building on the successes achieved by the NYS Lean Program, DOB and the Executive Chamber are moving forward with integrated performance management and planning methods that focus on strategic priorities which support agency missions. As part of the agency Strategic Planning process, agencies are required to identify strategic Lean process improvement projects for the upcoming fiscal year that enable successful achievement of the goals and objectives identified in the agency Strategic and Annual Performance Plans.

### What is Lean?

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Lean is a philosophy that focuses on customer value through a systematic method for eliminating waste. To learn more about Lean, contact the NYS Lean Office or the Lean contact designated by your agency.

### Lean Process Improvement Plan Required Elements

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Agency Lean Process Improvement Plans for the 2018 fiscal year (Template C, “Upcoming Fiscal Year” tab) consist of the following:

- A list of Lean projects for the upcoming fiscal year, including a brief description of each project;
- Estimated completion timeframe for each project by fiscal year quarter;
- Identification of Lean projects which have a direct correlation to the agency Strategic and Annual Performance Plan goals;
- Project Type for each project (mission critical, customer service, support service-related, new legislation-related, and/or a Governor’s initiative); and
- Impacts for each project (anticipating costs saved or avoided, revenue potential, cycle time or response time improvements, and/or process efficiency).

In addition, agencies are asked to submit a list of Lean projects that are currently underway in the current fiscal year (Template C, “Current Fiscal Year” tab), which

includes the following: i) Lean projects for the current fiscal year, including a brief description of each project, ii) estimated completion date for each project, iii) project type for each project, and iv) impacts for each project.

## New York State Lean Model

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Lean projects should be identified and developed in accordance with the New York State Lean Model. It is expected that the Lean efforts are distributed across all divisions of an agency and are aligned with the goals and objectives defined in the agency's Strategic Plan. A visualization of the integration between agency Strategic Plans and Lean process improvement projects is depicted by the diagram below.



Agencies should focus their effort and resources on Lean projects that deliver high value to the organization. In project identification and priority setting, agencies are encouraged to work closely with, and leverage synergies between, cross-cutting agency initiatives including: performance management, ethics, risk and compliance, and internal controls. Factors agencies should consider when selecting projects include: improving customer service, reducing staffing levels and backlogs, automating processes through the use of technology, increasing revenue potential, addressing new legislation, and reducing overtime/outsourcing.

## Project Types and Identification of Projects

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The number of projects submitted should be commensurate with the agency size, number of full-time employees dedicated to Lean, and number of active Empire Belts. Your plans will be reviewed for adequacy by DOB, the Executive Chamber and NYS Lean Office.

Lean process improvement projects should be categorized into several primary types:

- **Mission critical:** projects that improve services critical to the constituents of a particular program (e.g. mental health hospital admission processes, housing assistance support, veterans' services).
- **Customer service:** projects that focus on key customer-provider interactions (e.g. call center operations, permit and license applications).
- **Support service:** projects that address processes for key support services (e.g. grant management, purchasing activities).
- **Governor's initiative:** projects that support the successful execution of a Governor's initiative.

## Project Impact

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A carefully selected project should aim to accomplish at least one of the following:

- **Costs saved or avoided:** reductions in existing costs or a measure of financial benefit related to reduced spending resulting directly from a process improvement project;
- **Cycle time or process time improvements:** time efficiencies resulting directly from a process improvement project; and
- **Process efficiency:** elimination of unnecessary steps, improvement of quality rate with the same or fewer resources required, with an emphasis on improved service levels.

# Template A

## **[Insert name of Agency] Strategic Plan**

FY 2018 through FY 2020

# Strategic Planning - GUIDANCE

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- The Strategic Plan must consider how your agency can best achieve its mission and contribute to accomplishing important statewide outcomes over the next 3 years.

**Please see Attachment A (“Strategic Planning Guidance”) for additional information regarding all of the elements outlined in this Template.**

# Mission Statement

[insert agency mission statement]

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- An agency's mission statement briefly describes its reason for existence in general terms that capture its unique purpose and functions. It typically describes the organization, what it does, why it does it, and for whom.

# Environmental Factors - GUIDANCE

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- The strategic planning process provides a good opportunity for an agency to examine internal and external factors that can impact its ability to accomplish the mission, goals, and objectives.
- The internal and external assessment examines strengths, improvement areas, opportunities, and threats. As part of the environmental assessment, an agency explicitly identifies internal factors (strengths and improvement areas) and external factors (opportunities and threats) that may impact its ability to achieve results.
- Examples of external factors include the following: legislation, demographics, technology, politics, economy, public opinion, and enterprise polices and services.
- Examples of internal factors include the following: policies, organizational culture, organization structure, monetary/capital/human resources, procedures, technology, and facilities.

# Environmental Factors

- **External Factors**
  - [describe external factor 1]
  - [describe external factor 2]
- **Internal Factors**
  - [describe internal factor 1]
  - [describe internal factor 2]

# Vision Statement

[insert agency vision statement]

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- The vision statement is a brief, forceful statement describing the organization at its most effective, or as it will be when it achieves its desired goals and outcomes.

# Goals, Objectives, and Performance Measures - GUIDANCE

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- Goals are broad statements of what an agency wants to achieve over the 3-year planning period. Agencies should provide **3-5 high-level goals** in the Strategic Plan.
- Objectives are clear targets for specific action that define how an agency will work to achieve a particular goal; interim steps toward achieving an agency's long term goals. Agencies should provide at least **2 strategic objectives** for each strategic goal listed in priority order.
- Performance measures and targets establish the level of performance that should be reached by the end of the 3-year planning period. These act as a guidepost for judging whether progress is being made on schedule and at the levels originally envisioned. Measures and associated targets **should be developed for each Strategic Plan objective** and are expected to be reported on an annual basis.

# Goal 1, Objectives, and Performance Measures

Goal 1: [describe goal 1]	
<b>Objectives</b>	
[describe objective 1]	
[describe objective 2]	
Performance Measures (what is being measured)	3-Year Target
[insert measure]	[insert target]
[insert measure]	[insert target]
[insert measure]	[insert target]

# Goal 2, Objectives, and Performance Measures

Goal 2: [describe goal 2]	
<b>Objectives</b>	
[describe objective 1]	
[describe objective 2]	
Performance Measures (what is being measured)	3-Year Target
[insert measure]	[insert target]
[insert measure]	[insert target]
[insert measure]	[insert target]

# Goal 3, Objectives, and Performance Measures

Goal 3: [describe goal 3]	
<b>Objectives</b>	
[describe objective 1]	
[describe objective 2]	
Performance Measures (what is being measured)	3-Year Target
[insert measure]	[insert target]
[insert measure]	[insert target]
[insert measure]	[insert target]

# Goal 4, Objectives, and Performance Measures

<b>Goal 4: [describe goal 4]</b>	
<b>Objectives</b>	
	[describe objective 1]
	[describe objective 2]
<b>Performance Measures (what is being measured)</b>	<b>3-Year Target</b>
[insert measure]	[insert target]
[insert measure]	[insert target]
[insert measure]	[insert target]

# Goal 5, Objectives, and Performance Measures

Goal 5: [describe goal 5]	
<b>Objectives</b>	
[describe objective 1]	
[describe objective 2]	
Performance Measures (what is being measured)	3-Year Target
[insert measure]	[insert target]
[insert measure]	[insert target]
[insert measure]	[insert target]

# Evidence and Associated Data Collection

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- Agencies should use this slide to detail any evidence and associated data collection methods they are utilizing (e.g. evaluations, research studies, audits, pilot programs).

Program Name	Evidence Type	Other Relevant Details
Example: Disconnected Youth Program	Example: Performance Partnership Pilot	Example: Expected completion 2/1/2017

# Template B

## [Insert name of Agency] Annual Performance Plan

FY 2018

# Annual Performance Plan - GUIDANCE

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The Annual Performance Plan identifies how the agency will measure progress against those goals and objectives the agency has identified in the Strategic Plan during the upcoming fiscal year. Specifically, the annual performance plan includes:

- The agency's mission statement, as described in the agency Strategic Plan.
- The vision statement, as described in the agency Strategic Plan.
- Annual performance goals, as amended to include yearly information as necessary from the Strategic Plan.
- Objectives for each annual performance goal which should closely resemble the Strategic Plan objectives with the inclusion of any applicable information pertaining to the upcoming fiscal year activities.
- Performance measures and targets establish the level of performance that should be reached by the end of the upcoming fiscal year. These act as a guidepost for judging whether progress is being made on schedule and at the levels originally envisioned.

Please see Attachment A ("Strategic Planning Guidance") for additional information regarding all of the elements outlined in this Template as well as Attachment B ("Annual Performance Plan Guidance") for information specifically pertaining to the annual aspects of the plan.

# [insert Agency name] Annual Performance Plan FY 2018

## Mission Statement

[insert agency mission statement]

## Vision Statement

[insert agency vision statement]

## Annual Goals, Objectives, and Performance Measures

Goal 1: [describe goal 1];		[identify responsible division within your agency]
<b>Objectives</b>		
[describe objective 1]		
[describe objective 2]		
Performance Measures		
Measure	Baseline Measurement (current)	FY 2018 Target
[describe measure 1]		
[describe measure 2]		

# [insert Agency name] Annual Performance Plan FY 2018 (cont.)

Goal 2: [describe goal 2];	[Identify responsible division within your agency]
<b>Objectives</b>	
[describe objective 1]	
[describe objective 2]	

Performance Measures		
Measure	Baseline Measurement (current)	FY 2018 Target
[describe measure 1]		
[describe measure 2]		

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- Utilize additional slides, tables, and rows as necessary to describe all applicable goals, associated objectives, and performance measures and targets for FY 2018.

# [insert Agency name] Annual Performance Plan FY 2018 (cont.)

Goal 3: [describe goal 3];	[Identify responsible division within your agency]
<b>Objectives</b>	
[describe objective 1]	
[describe objective 2]	

Performance Measures		
Measure	Baseline Measurement (current)	FY 2018 Target
[describe measure 1]		
[describe measure 2]		

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- Utilize additional slides, tables, and rows as necessary to describe all applicable goals, associated objectives, and performance measures and targets for FY 2018.

# [insert Agency name] Annual Performance Plan FY 2018 (cont.)

Goal 4: [describe goal 4];	[Identify responsible division within your agency]
<b>Objectives</b>	
[describe objective 1]	
[describe objective 2]	

Performance Measures		
Measure	Baseline Measurement (current)	FY 2018 Target
[describe measure 1]		
[describe measure 2]		

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- Utilize additional slides, tables, and rows as necessary to describe all applicable goals, associated objectives, and performance measures and targets for FY 2018.

# [insert Agency name] Annual Performance Plan FY 2018 (cont.)

Goal 5: [describe goal 5];		[Identify responsible division within your agency]
<b>Objectives</b>		
[describe objective 1]		
[describe objective 2]		
<b>Performance Measures</b>		
Measure	Baseline Measurement (current)	FY 2018 Target
[describe measure 1]		
[describe measure 2]		

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- Utilize additional slides, tables, and rows as necessary to describe all applicable goals, associated objectives, and performance measures and targets for FY 2018.

# Template C

Fiscal Year 2017

Agency: [PLEASE INSERT THE NAME OF YOUR AGENCY HERE]

Lean Project Name	Lean Project Description	Estimated Timeframe for Completion by Fiscal Quarter (e.g. Q4 FY 2017)	Project Type	Project Impacts
			Enter <b>one or more</b> of the following: a) mission critical b) customer service c) support service d) Governor's initiative	Enter <b>one or more</b> of the following: a) costs saved or avoided b) time saved c) process efficiency

- 1
- 2
- 3
- 4
- 5

Template C

Fiscal Year 2018

Agency: [PLEASE INSERT THE NAME OF YOUR AGENCY HERE]

Lean Project Name	Lean Project Description	Estimated Timeframe for Completion by Fiscal Quarter (e.g. Q1 FY 2018)	Related Strategic and/or Annual Performance Plan Goals	Project Type	Project Impacts
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Enter one or more of the following:  
a) mission critical  
b) customer service  
c) support service  
d) Governor's initiative

Enter one or more of the following:  
a) costs saved or avoided  
b) time saved  
c) process efficiency

- 1
- 2
- 3
- 4
- 5