STRATEGIC PLANNING PROCESS

Strategic planning is a process that helps leaders examine the current state of the organization, determine a desired future state, establish priorities, and define a set of actions to achieve specific outcomes. The process followed by the Village of Shorewood was designed to answer four key questions: (1) Where are we now? (2) Where are we going? (3) How will we get there? (4) What will we do? The process is divided into a development phase and an implementation phase. The full process is depicted below.

1 Where are we now?
2 Where are we going?
3 How will we get there?
4 What will we do?

DEVELOPMENT		IMPLEMENTATION	
Where we are	**Where we're going**	**How we'll get there**	**What we'll do**
Scan the environment – Conduct internal and external analysis (SWOT) – Community Survey – Business Focus Groups – Develop Strategic Profile – Identify Strategic Challenges	Define our Mission – Articulate Core Values – Set a Vision – Establish Goals – Identify Key Intended Outcomes	Develop Initiatives – Define Performance Measures – Set Targets and Thresholds – Cascade throughout organization	Create Detailed Action Plans – Establish Accountability: Who, What, When – Identify Success Indicators – Provide Resources

Process Initiation – Setting Expectations, Reviewing Current Situation

Management Review

The strategic planning process began with a meeting of the senior management team and the consultant on August 20, 2019. The meeting included an overview of strategic planning principles, previous planning efforts, preparations for assessing the current environment, and coordination of community engagement efforts. In addition, the team an examined the Village's current vision and mission statements, discussed organizational value proposition, and how to address the lack of organizational values at the upcoming retreat sessions.

The team discussed the community engagement process, established a deadline for completing the environmental scanning process, and set a process for presenting the engagement and scan data to the Board of Trustees. Lastly, they developed ideas for presenting the vision, mission and values to the Board at the strategic planning sessions.

Review of Current Operating Environment

The second step in the strategic planning process was an in-depth scan of the operating environment. The Village employed four methods to accomplish this: (1) A community survey conducted by the National Research Center; (2) An environmental scan prepared by Village staff; (3) Three focus groups with representatives of the real estate development community--facilitated by the strategic planning consultant; and (4) A SWOT analysis.

The community survey and environmental scanning efforts began in late summer 2019 and continued through early November. The three focus groups were conducted in October. Results of these efforts were presented to the Board of Trustees on November 26, 2019. The SWOT process was initiated via an online questionnaire deployed in November and presented at the strategic planning retreat. Results from each of these efforts are contained in the Appendices at the end of this report

STRATEGIC PLANNING PROCESS

ASSESS CURRENT ENVIRONMENT
- Senior Management Review
- Community Engagement
- Vision/Mission/Values
- Scan/Assess Environment
- SWOT Analysis

SET PRIORITIES, TARGETS
- Strategic Planning Retreat
- Operating Environment
  - Environmental Scan
  - Community Engagement
  - Internal SWOT
- Vision/Mission/Values
- Challenges, Priorities
- Outcomes, KOI's, Targets

IMPLEMENT THE PLAN
- Implementation Session
  - Strategic Initiatives
  - Action Plans
- Refine details
- Final Review, Approval

Setting Direction:
Vision, Value Proposition, Mission, and Values

On December 2-3, 2019, the Village Board and senior staff held sessions to develop the strategic plan. As they addressed the question of "Where are we now?" the group was challenged to define the current organizational culture and its value proposition— understanding that an organization's culture, and the value proposition it puts forth provide the foundation for the way services are delivered and strategic direction is set. The concept of a value proposition, which originated in the private sector, describes how a company's products and services solve or improve problems, what benefits customers can expect, and why customers should buy from them over their competitors.

A local government's value proposition is much the same: it describes how services provided will benefit the community, what citizens, customers and stakeholders can expect, and how their services compare to others. All value propositions, whether a company or a local government correlate to the three types listed.

The most successful organizations determine a primary value proposition and focus on delivering on that promise consistently. They then determine a threshold of performance on the other two dimensions, understanding that all three contribute to customer satisfaction. An organization's value proposition should underpin its mission statement, and core purpose each area.

> " **The most successful organizations determine a primary value proposition and focus on delivering on that promise consistently.** "

Once a value proposition is determined, an organization typically evaluates its core culture to determine whether a good "fit" exists. In management theory and literature, it is generally agreed that organizational cultures exist in four categories. They each exhibit different characteristics and have strengths and weaknesses. The three value propositions and core cultures are summarized on the following page.

THREE VALUE PROPOSITIONS

Operational Excellence
(ex: Wal-Mart, Southwest Airlines)
• They adjust to us
(command and control)

Product/Service Leadership
(ex: Apple, Google)
• They 'ooh and 'ah' over our products/services (competence)

Customer Intimacy
(ex: Nordstrom, Ritz-Carlton)
• We get to know them and solve their problems/satisfy their needs (collaborative)

FOUR CORE CULTURES

Control Culture
(example: Military - command and control)
Strengths: Systematic, clear
Weaknesses: Inflexible, compliance over innovation

Competence Culture
(ex: Research Lab – best and brightest)
Strengths: Results oriented, efficient
Weaknesses: Values, human element can be ignored

Collaboration Culture
(example: Family-teams)
Strengths: Manages diversity well, versatile
Weaknesses: Group think, short-term oriented

Cultivation Culture
(example: Non-profit/religious group-mission/values)
Strengths: Socially responsible, consensus oriented
Weaknesses: Lacks focus, judgmental

The majority of organizations across every sector have a Control Culture. This hierarchical culture has deep roots in the military and is generally well understood. However, depending upon an organization's value proposition, this type of culture, due to its framework, may not be suited to deliver desired outcomes. For example, a control culture requires strong rule adherence, chain of command and compliance. A customer intimacy value proposition by contrast, requires independence, and significant decision-making at point of service.

The Shorewood leadership group engaged in an extended discussion regarding the value proposition and its relationship to the culture. It was generally agreed that customer intimacy reflects their desired approach, and to a certain degree their current approach and was embedded into the culture--at least in many areas. The staff mentioned that operational excellence has been important and will continue to be important for operational stability, but that, depending upon the service and circumstances, a customer intimacy approach is, and should be, delivered. Following a facilitated discussion, it was agreed that operational excellence was the primary value proposition, with customer intimacy as a secondary focus.

The group then directed their attention to their mission, vision and values statements. They agreed that the current vision and mission statements were fine, but they needed to adopt a set of organizational values. A brainstorming process ensued, resulting in the identification of a set of organizational values acceptable to all. These were then used by the consultant over the succeeding weeks to create an expanded description. The values, along with the vision and mission statements, are listed below.

MISSION STATEMENT
The Village of Shorewood's mission is to deliver essential services that create a safe, sustainable, high quality community. This is accomplished through the efforts of a responsive, forward-looking, and dedicated workforce.

VISION STATEMENT
The Village of Shorewood is a distinctive and economically vibrant community where families and businesses thrive. We offer a welcoming environment, and a mix of recreational and cultural amenities that create a place we are all proud to call "Home".