2010 NSGIC Mid-Year Conference

Business Planning Break-Out Session

Implementing Statewide Strategic and Business Plans
Overview:

- Review of the Business Planning Process
  - What is a business plan?
  - Why do you do it?
  - How does it differ from a strategic plan?

- What Business Plans have been completed through the CAP grant program?
  - What are they about?
  - What different approaches were used?

- Lessons Learned
The **Guidelines for Fifty States Plans**

The one-two punch of Strategic & Business Plans

- **One Strategic Plan, potentially many Business Plans**

- **Strategic Plan**
  - **What** and **Why**
  - Vision & Goals
  - The “big picture” and overall context

- **Business Plan**
  - **How, When**, and **How Much**
  - Aimed at those that approve and fund
  - Details of implementation emerge
  - Presented as a business case
Business Plan Purpose

• To support the successful implementation of the programs identified in your organization’s Strategic Plan.

• Provides the details of the steps required to achieve the goals identified.

• Lays out a schedule for the order and timing of the steps.

• Makes a sound business case to one or more of the decision makers to approve and provide the resources needed to achieve your goals (funding, staffing, time, etc)
What should be in a Business Plan?

• Describes **who** you are
• Describes **what** you want to achieve
• Describes the **benefits** to be realized
• Quantifies **cost**
• Details potential return on investment, cost benefit (or not?)
• Outlines an **implementation plan**
• Provides evidence of **due diligence**
Business Planning: New Minimum Required Elements

- **Section 1: Executive Summary** must include:
  - What outcome(s) are you proposing to accomplish?
  - What do you need to do it?

- **Section 2: Program Goals** must include:
  - What are the specific programmatic goals for this BP and which Strategic Goals do they relate to?
  - What are the success factors for each programmatic goal?

- **Section 3: Benefits and Justification** must include:
  - Why do you want to do this?

- **Section 4: Requirements and Costs** must include:
  - What is your organizational approach?
  - Estimated total costs?
  - Required standards?

- **Section 5: Implementation Program** must include:
  - Proposed phasing and milestones
  - Budget

- **Section 6: Measuring Success and Feedback for Recalibration** must include:
  - Criteria for performance measurement
To implement a Statewide Spatial Data Infrastructure (SSDI) consistent with appropriate national standards

GOAL 1: Establish GIO position, clarify statutory authority
GOAL 2: Develop improved statewide elevation data
GOAL 3: Pursue goal 3

- Business plans should relate to Strategic objectives
- Business Plans come from goals
- You can have more than one Business Plan
NSDI: Advancing the Fifty States Initiative

Improve coordination of Geospatial activities at all government levels in the State of Connecticut in support of their SSDI

**GOAL 1:** Organize Geospatial activities across State and Local Governments

**GOAL 2:** Develop a core set of data layers that are kept up-to-date and made broadly accessible in a state managed data repository

**GOAL 3:** Communicate and educate potential users and decision makers about the benefits and capabilities achieved by GIS investments.

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**Strategic Plan vs. Business Plan in Connecticut**

- **Primary Strategic Goal**

- **Programmatic Goals**

- **SP**

- **BP**

- **SP**

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- **Strategic Plan identified** three **goals** that needed to be met to achieve the primary strategic goal

- **An overall Business Plan that:**
  - Detailed the status of each of the programs
  - Addressed phasing of strategic goals
  - Laid out important state initiatives to tie to
  - Defined funding required

Implementing Statewide Strategic and Business Plans
GOAL 1: Organize Geospatial activities across State and Local Governments

GOAL 2: Develop a core set of data layers that are kept up-to-date and made broadly accessible in a state managed data repository

GOAL 3: Communicate and educate potential users and decision makers about the benefits and capabilities achieved by GIS investments.

SP BP

BP BP

BP BP

• Building from the NSDI CAP grant working groups were setup by their council and individual business plans have been developed for framework data layers
Strategic Plan vs. Business Plan in Arizona

- Strategic Plan identified two strategic goals
- Multiple programmatic goals were identified for each strategic goal
Facilitate the productive application and sharing of geospatial data and GIS and location-based services to address the needs of Arizonans by establishing a Clearinghouse with statewide accessibility.

**GOAL 1:** Collect information on user needs

**GOAL 2:** Get necessary support from stakeholders, decision-makers, and funding agents

**GOAL 3:** Tie into other statewide IT infrastructure initiatives

**GOAL 4:** Assess where spending is redundant

**GOAL 5:** Design & build a clearinghouse

- Business Plan focused on implementing one strategic goal:
  - Defined the organizational approach
  - Detailed the technical, data, functional, and resource requirements
  - Addressed standards and policies to consider
  - Defined funding required
When writing a Business Plan think of these things:

- **Relevant** to the decision makers
- **Short, clear and concise**
- Easy to read and approve (minimize GIS lingo)
- **Compelling**
- **Credible** and factually correct
- **Action** oriented

*Content is aimed at a very specific readership*
Strategic Plan vs. Business Plan, *structural differences* and similarities…

**Strategic Plan**
- Executive Summary
- Current Situation
- Vision and Goals
- Requirements
- Implementation **Program**
- Appendix (Strategic Planning Methodology)

**Business Plan**
- Executive Summary
- Program Goals
- Program Benefits and Justification
- Program Requirements and Costs
- Organizational Approach
- Implementation **Plan**
Strategic Plan vs. Business Plan, content differences and similarities…

**Strategic Plan**
- **Executive** level presentation
- Can have supporting or reference docs
- **Defines** strategic objectives of plan
- **Outlines benefits** to be realized
- **Outlines resources** needed
- **Simplified** timeline
- High-level budget estimates

**Business Plan**
- **Detailed** presentation
- Should **stand alone**
- **Details objectives** into actionable items
- Aimed at getting **approval** and funding
- Makes **business case**
- **Detailed** implementation plan
- Includes **marketing** or branding
- Details **resources** needs
- Detailed budget
Business Plan: Program Benefits and Justification

Quantitative

Measuring the value of your proposal enhances credibility

- ROI assessment
- Cost Savings
- Time saving
- Cost avoidance
- Cost of doing nothing
- Revenue Generation

ROI = (benefit-cost)/cost

Measurement Metrics:
- Time
- CB Ratio
- Dollars
- % Increase
- Annualized Staff Reduction

GIT Businesses Case Development and ROI Literature Review
GITA Research Division
PA Consulting Group/ESRI Press
Business Plan: Program Benefits and Justification

Qualitative

Non-Financial/Hard to quantify/Collateral Benefits

• Meeting a mandated requirement
• Societal/community benefit
  – Better or more available data
  – More efficient data exchange
  – Improved customer service
  – Improved quality of life
  – Better management of environment
  – Saving life's
  – Improved Decision Making
  – Increase in responsiveness
• Spin-off benefits
  – Improved mapping
  – Response to the unexpected
  – Enhanced revenue
  – Improved efficiency
• Benefit accrual
Business Plan: Program Requirements and Costs

Budget Requirements

- Short-term, long-term projected costs broken down as appropriate:
  - Planning, acquisition, implementation, operations, maintenance, consultant, other

- Cost of the Status Quo

- Sources of funding:
  - General funds, mission specific, service fees, permits/licenses, grants, cost recovery
  - What is the source of funding over the long-term?

- Remaining insulated from being cut

Phase I costs estimates:
- Low estimate: $815,000
- High estimate: $1,477,000

Phase II cost estimates:
- Low estimate: $1,016,000
- High estimate: $2,032,000

Total Cost: $1,831,000 - $3,509,000

Average: $2,670,000

Breakdown by activity
(calculated from the average of low/high bracket):
- Hardware & Software: 17.4%
- Professional Services: 25.0%
- Application Development: 57.6%

Commonwealth of Massachusetts Investment Brief for parcels data development
Risk Assessment

- What is Risk?
  - Uncertainty about a situation
  - Program not successful
  - Loss of key people
  - Conflicts with mandates
- Part of planning
- What is the likelihood and potential impact
- How to mitigate

Oregon GIS Utility Initiative
Marketing Plan

• Develop a message
  • What is the objective?
  • What is the value proposition?
  • How does this initiative directly support other ‘high visibility’ initiatives?

• How does your message support your stakeholder community?
• Develop collaterals

• Deliver the message
  – To:
  – By:
  • Senior level decision makers
  • Other ‘change’ agents
  • Stakeholders

Are you ready with the 2 minute synopsis (ready with sales pitch)?
Cy Smith – Oregon GIO

WE DON’T NEED GIS PEOPLE SELLING GIS, WE NEED ECONOMISTS SELLING GIS
Summary…The Business Plan

- Business Plan is designed to detail steps to follow to achieve one or more goals
- Makes a compelling business case for:
  - what you want to achieve
  - what benefits to be realized
  - Relevancy to the organization
- Targeted document aimed at the decision makers
- Plan is “fresh” for a short period so “act”

Leverage the geo-community and other resources
- NSGIC website – Hot Topics / 50 State Initiative
- Other State activities and plans
- Take credit for your successes
## Examples of Business Plans that have been completed or are under development through the CAP program

<table>
<thead>
<tr>
<th>Data Centric</th>
<th>Coordination &amp; Governance</th>
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<tbody>
<tr>
<td>Administrative Boundaries: IA, AR, DC</td>
<td>Coordinating Body: FL, IN, WV, CT, UT, IA, HI</td>
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<tr>
<td>Cadastral: CT, SD, MO, IA, MI, AR, DC</td>
<td>GIO: WY, NH, MD, AZ</td>
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<tr>
<td>Elevation: KS, IA, MI, DC</td>
<td>State Office: MD, CT, WY, OK</td>
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<tr>
<td>Geodetic Control: IA, DC</td>
<td>Council Structure: MD</td>
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<tr>
<td>Hydrography: IA, MI, DC</td>
<td>Communication/Marketing: CT, MD, OK, HI</td>
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<tr>
<td>Imagery: CA, CT, IA, MI, AR, DC</td>
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<td>Transportation: IA, CT, MI, DC</td>
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<td>Addressing: CT, IA, DC</td>
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<tr>
<td>Centerlines: CT, AR, DC</td>
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<tr>
<th>Infrastructure</th>
<th>Funding</th>
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<tbody>
<tr>
<td>Clearinghouse: UT, CT, AZ</td>
<td>Sustainable Funding: NC, CT, MD, AR</td>
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<tr>
<td>Technical Environment: OK, RI, ID</td>
<td>ROI: IA, IN, WY</td>
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<td>Land Records: ME</td>
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<tr>
<td>Applications &amp; Services: DC</td>
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Implementing Statewide Strategic and Business Plans
Business Planning Lesson’s Learned

• Show **knowledge** and **awareness** of your state’s budget climate and cycle (FY)

• Ask other states for **case studies**

• Answer the question, “**Who cares?**”

• **Who** you are trying to **convince** that your program initiative is worthy of their support (and ultimately, funding)

• Make it clear whom the **participants** are in your program initiative (i.e., if approved, who gets the work done, and how are they held accountable?)

• Develop a **clear plan of action** and milestones, with phases if appropriate – phasing can make the program initiative more palatable (and more realistic)

• Plan to show success along the way
How do you improve your chances of success?

• Don’ts…
  – Write complex or confusing plans
  – Assume people know what you are talking about
  – Skip number crunching
  – Inflate the numbers

• Do’s…
  – Independent evaluation of reasonableness
  – Articulate the compelling reasons for funding your project
  – Provide a consistent message about solving problems
  – Be confident and always prepared to make your case
  – Be reasonable and always ready with intelligent compromises
Business Planning
Questions and Answers

Implementing Statewide Strategic and Business Plans