

2010 NSGIC Mid-Year Conference

Business Planning Break-Out Session

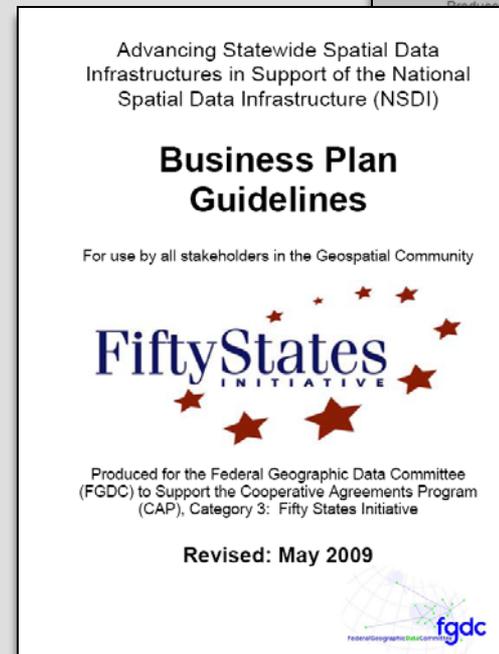
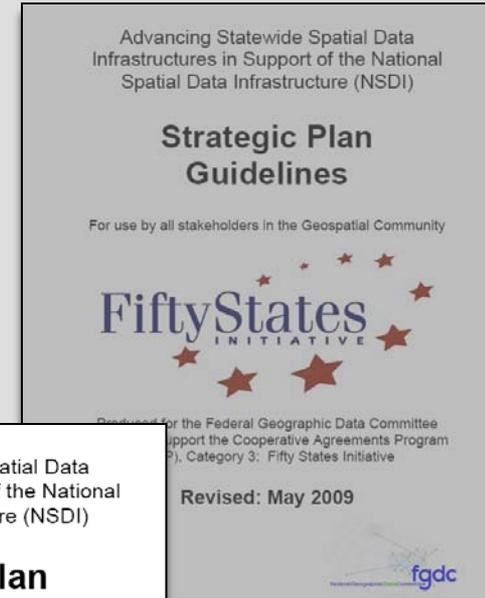
Overview:

- **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)

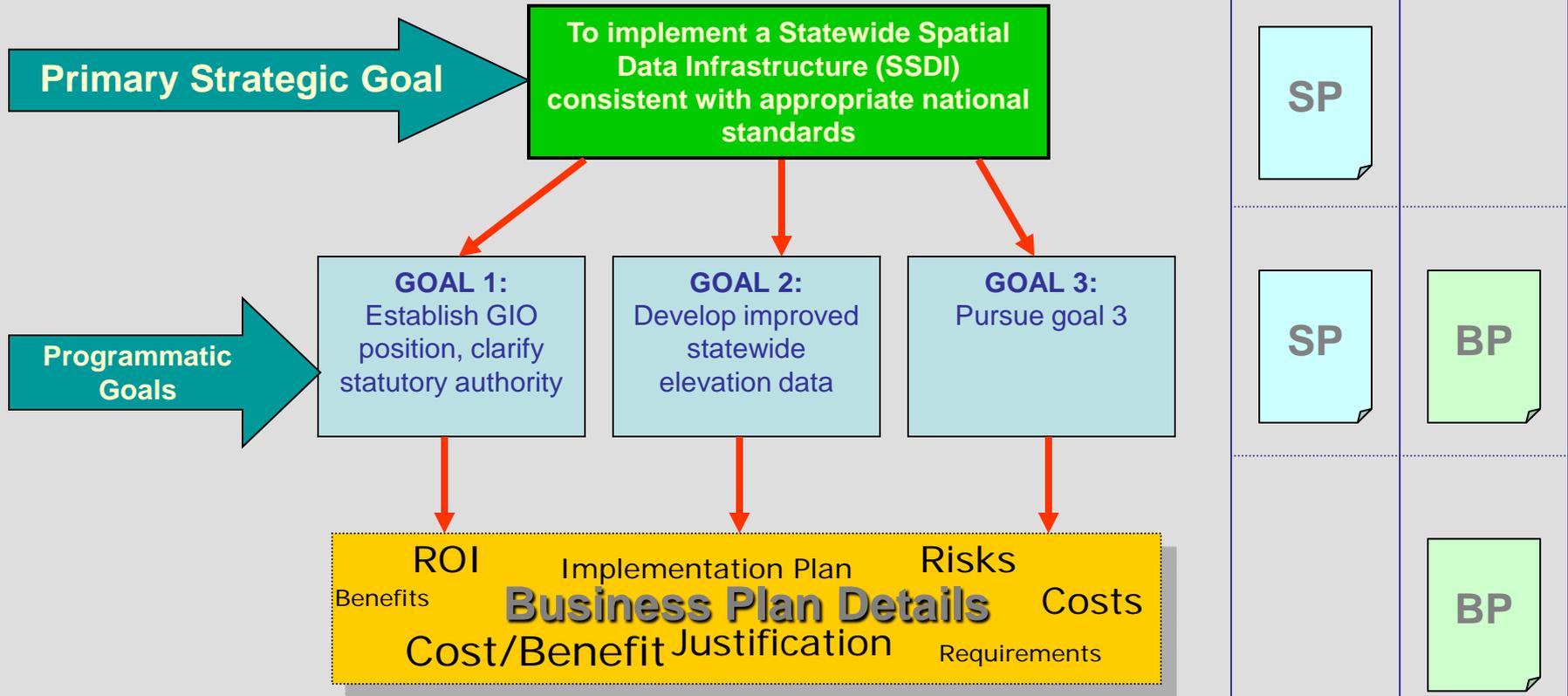
What should be in a Business Plan?

- 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

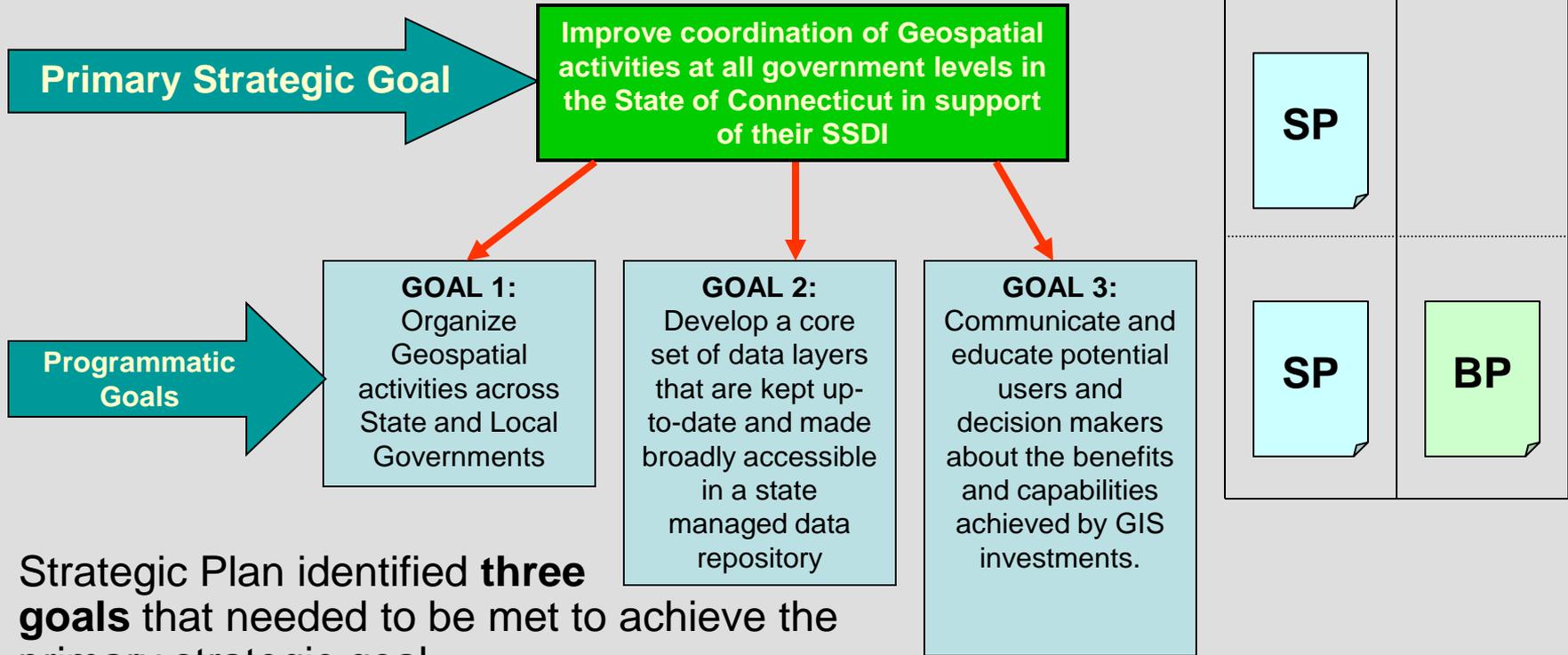
- **Section 1: Executive Summary** must include:
 - What outcome(s) are you proposing to accomplish?
 - What do you need to do it?
- **Section 2: Program Goals** must include:
 - What are the specific programmatic goals for this BP and which Strategic Goals do they relate to?
 - What are the success 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

Strategic Plan vs. Business Plan



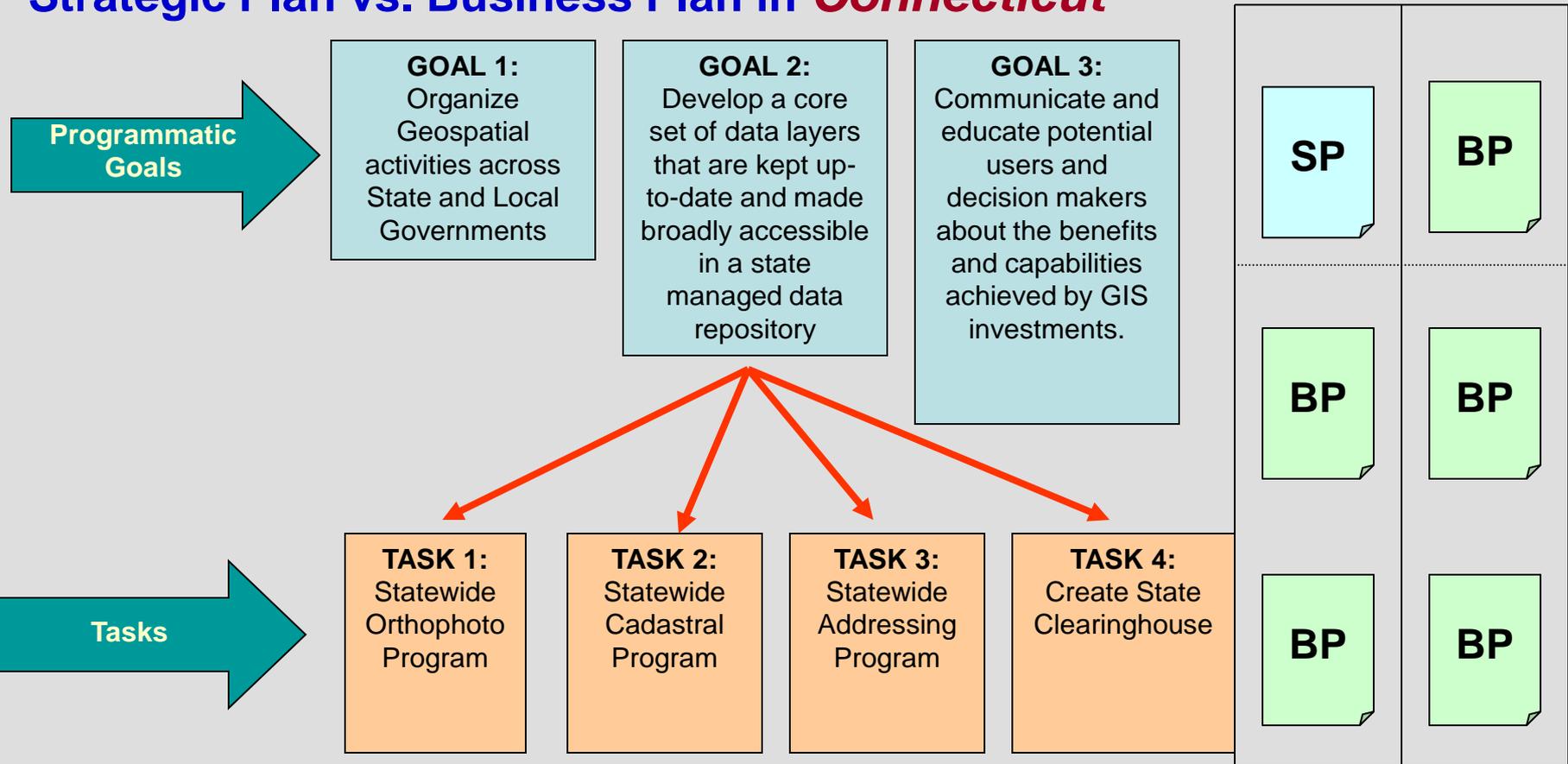
- Business plans should relate to Strategic objectives
- Business Plans come from goals
- You can have more than one Business Plan

Strategic Plan vs. Business Plan in *Connecticut*



- 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

Strategic Plan vs. Business Plan in *Connecticut*



- 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 Goal #1:

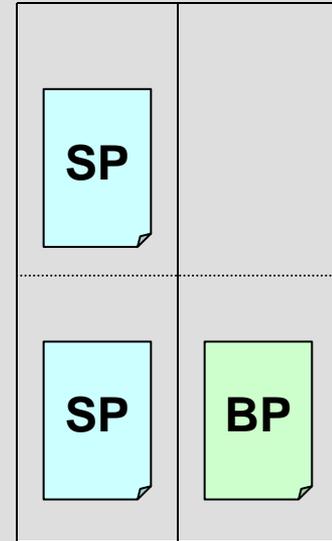
Facilitate the productive application and sharing of geospatial data and GIS and location-based services to address the needs of Arizonans by establishing a Clearinghouse with statewide accessibility.

Strategic Goal #2:

Achieve greater fiscal responsibility and efficiency through the wise governance of GIS services and geospatial data.

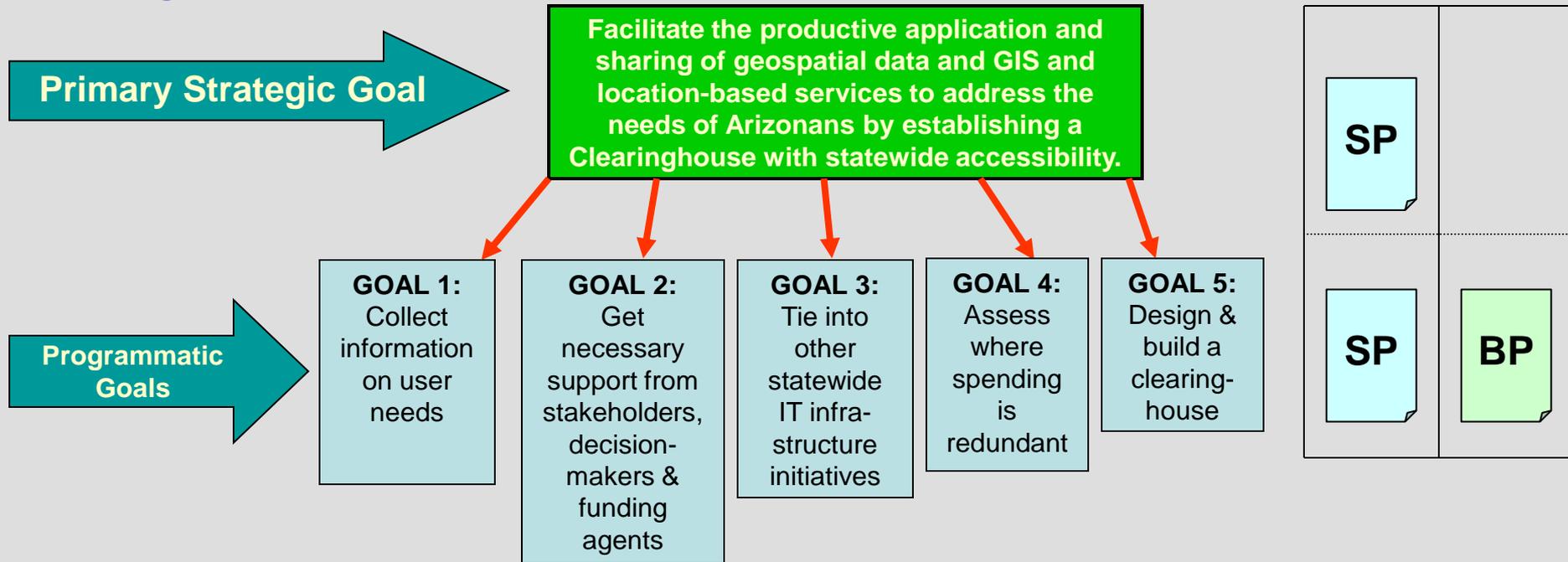
Strategic Goals

Programmatic Goals



- Strategic Plan identified two strategic goals
- Multiple programmatic goals were identified for each strategic goal

Strategic Plan vs. Business Plan in *Arizona*



- 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

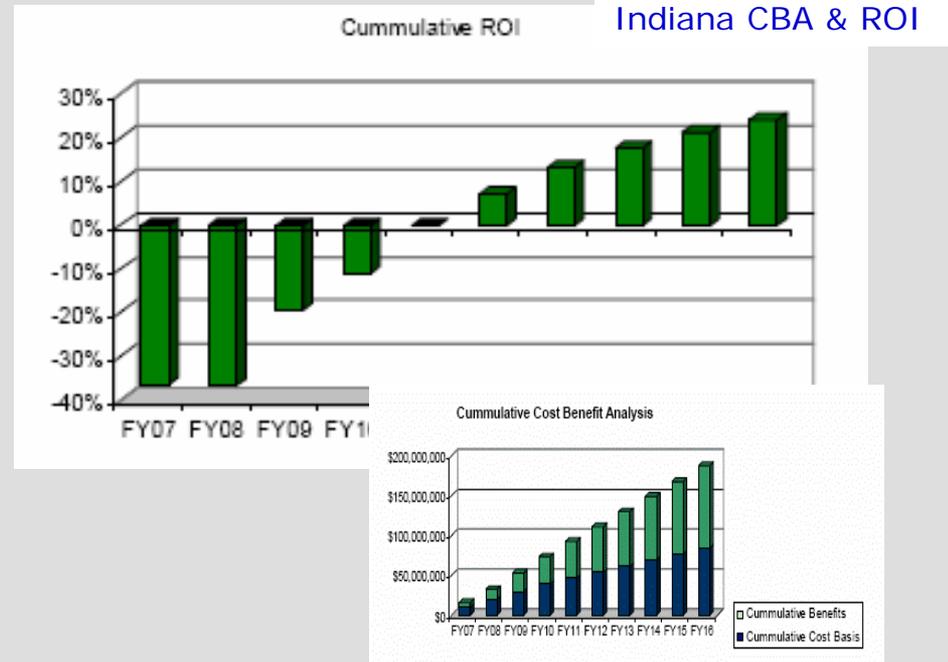
Business Plan: Program Benefits and Justification

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

Georgia, Case for a GIO

In the event of an emergency or to fulfill national and state legal requirements, the Georgia GIS Clearinghouse *is not* currently enabled to provide a complete list of assets when queried.

Oregon GIS Utility Initiative

Non-ROI Value Category and Measure	Qualitative Rating Scale	Value Benefit Milestone and Rating			
		Current State	Short-Term (FY07-08)	Mid-Term (FY09-10)	Long-Term (FY13-14)
	P Poor: Limited or no ability to meet the value measure				
	F Fair: Limited to moderate benefits				
	G Good: Benefits for many organizations and programs				
	VG Very Good: Significant benefits for most value indicators and organizations				
	E Excellent: Extensive benefits for all indicators of value and most organizations				
Direct User					
Accessibility	Number of public and non-public agencies and organizations with Web-based access Improvement in ease of access	P	F	G	E
Timeliness	Average amount of time to retrieve data and generate products	P	F	G	VG
Data quality	Higher map accuracy and detail More current (data updates after changes) Fewer gaps and data errors	P	P	G	VG
Fairness	Degree to which all organizations can access geographic data Equitable assessment and allocation of property taxes and geographically-based fees	F	G	E	E

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%

	Previous Year(s)	FY2005	FY2006	FY2007	FY2008	FY2009	Total All Years
Development Costs:							
Hardware	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Software	\$0	\$12,000	\$12,000	\$12,000	\$12,000	\$12,000	\$60,000
Consultants	\$0	\$0	\$0	\$0	\$0	\$0	\$0
FTEs (State Staff)	\$0	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$100,000
Training	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Disaster Recovery/Continuity	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other, Please Specify (match)	\$0	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000	\$2,500,000
		data grants					
Total One Time Development Cost*	\$0	\$532,000	\$532,000	\$532,000	\$532,000	\$532,000	\$2,660,000

BB2. Funding Source View: (above values expressed by source of funds)

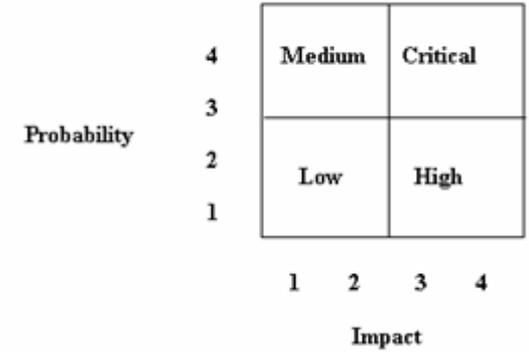
	Previous Year(s)	FY2005	FY2006	FY2007	FY2008	FY2009	Total \$
Operating Budget	\$0	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$100,000
Retained Revenue	\$0	\$12,000	\$12,000	\$12,000	\$12,000	\$12,000	\$60,000
Federal Reimbursement	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Federal Fund(s)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Capital Fund(s)							
Trust Fund							
Other							
IT Bond Fund(s)							
Total Project Budget*							

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

Identify
Quantify
Plan Response
Monitor

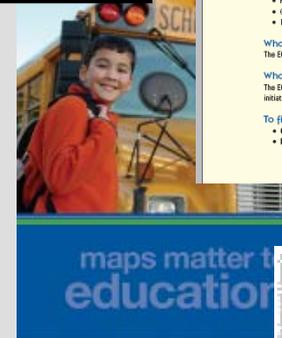
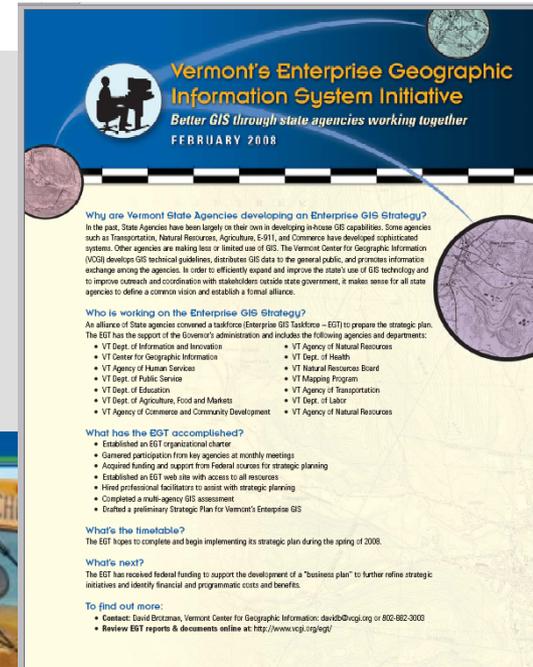
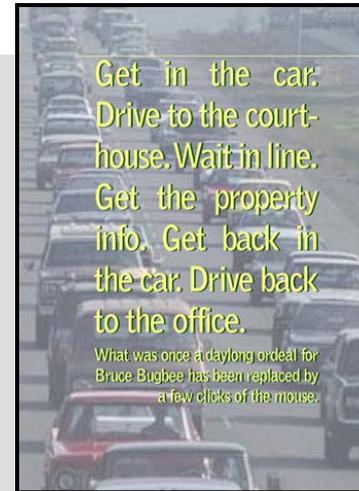


Oregon GIS Utility Initiative

Risk	Potential Impact Types*				Probability**	Impact**
	Cost	Schedule	Scope	Quality		
A. Funding/Resource Allocation						
A1. Insufficient funding allocation	P	S	S	S	50%	5
A2. Dedicated staff resources not sufficient or available		P	P	S		
A3. Resource support commitments from state agencies insufficient		P	P	S	60%	3
A4. Cost projections do not meet actual costs	P	S	S	S	20%	3
B. Organizational/Political						
B1. Insufficient support in State legislature	P	S			40%	4
B2. Lack of awareness/support at senior executive level	P	S			25%	4
B3. Insufficient support and participation among regional and local governments		S	S	P	25%	3
B4. Insufficient participation and support by non-public sector organizations		S	S	P	40%	3
B5. Ineffective coordination with federal agencies		S	P	P	40%	4
B6. Legal/Policy restrictions on data distribution		S	P	P	20%	3
B7. Public-Private partnership obstacles	P		P	S	30%	3
C. Technical and Procedural						
C1: Database development delays		P	S		75%	2
C2: Wide area network limitations		S		S	30%	3
C3: Lack of maturity or consensus on technical standards		S	S	S	25%	3
C4: Poor contractor performance	P	P	P	P	20%	4
C5: Network and data administration and security problems			S	P	15%	3
C6: User adoption and support problems		S	P	S	15%	3

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:
 - 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

<p>Data Centric</p> <p>Administrative Boundaries: IA, AR, DC</p> <p>Cadastral: CT, SD, MO, IA, MI, AR, DC</p> <p>Elevation: KS, IA, MI, DC</p> <p>Geodetic Control: IA, DC</p> <p>Hydrography: IA, MI, DC</p> <p>Imagery: CA, CT, IA, MI, AR, DC</p> <p>Transportation: IA, CT, MI, DC</p> <p>Addressing: CT, IA, DC</p> <p>Centerlines: CT, AR, DC</p>	<p>Coordination & Governance</p> <p>Coordinating Body: FL, IN, WV, CT, UT, IA, HI</p> <p>GIO: WY, NH, MD, AZ</p> <p>State Office: MD, CT, WY, OK</p> <p>Council Structure: MD</p> <p>Communication/Marketing: CT, MD, OK, HI</p>
<p>Infrastructure</p> <p>Clearinghouse: UT, CT, AZ</p> <p>Technical Environment: OK, RI, ID</p> <p>Land Records: ME</p> <p>Applications & Services: DC</p>	<p>Funding</p> <p>Sustainable Funding: NC, CT, MD, AR</p> <p>ROI: IA, IN, WY</p>

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

