



ST. CHARLES
SINCE 1834

AGENDA ITEM EXECUTIVE SUMMARY

Title: Recommendation to Approve a Contract with Sikich LLP for Strategic Plan Services

Presenter: Mark Koenen

Please check appropriate box:

X	Government Operations (10-6-14)		Government Services
	Planning & Development		City Council
	Public Hearing		

Estimated Cost:	\$27,800	Budgeted:	YES	X	NO	
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If NO, please explain how item will be funded:

Executive Summary:

Please recall the current Strategic Plan was prepared to provide direction based on a vision and mission for the City through 2014. Staff solicited proposals from three firms recognized locally for providing direction and guidance in the preparation of a municipal strategic planning. Two firms submitted proposals. These firms include- Lynn Montei Associates (\$29,800) and Sikich LLP (\$25,810-\$29,900). Staff has reviewed the proposals and Sikich LLP is recommended below. For your information, the recommended firm has worked with the following local municipalities and agencies. Work experience includes- The cities of Geneva, Dixon, Newton, Warrenville, North Aurora and the villages of Bartlett, LaGrange, Winfield and Woodridge. Additionally, most recently Sikich prepared the strategic plan for Metro West Council of Government.

Staff recommends to the City Council to retain Sikich LLP for the preparation of the next strategic plan.

Attachments: *(please list)*

Key sections from the Sikich proposal.

Recommendation / Suggested Action *(briefly explain):*

Recommendation to approve a Contract with Sikich LLP for Strategic Plan Services.

For office use only:

Agenda Item Number: 6a

September 15, 2014

Mr. Mark Koenen
City Administrator
City of St. Charles
2 E. Main Street
St Charles, IL 60174

Re: Strategic Plan

Dear Mr. Koenen:

Thank you for providing Sikich LLP with the opportunity to present our qualifications to facilitate a Strategic Plan Update for the City of St. Charles. As you know, a well designed strategic plan, informed by input from stakeholders is an important step to move the City forward and to build consensus on the organization's future direction. In response to your request, we have prepared the following comprehensive approach to update your Strategic Plan. Our approach takes into account the City's current political environment, the importance of stakeholder input and your desire that the plan be implemented through the often overlooked step of action planning.

The philosophy that will guide this planning process is a holistic undertaking which considers the City's services and operations in a framework designed to achieve your long-term goals and chart the City's future as it serves the community. The planning process will involve your office, the City Council, and key departmental staff. Most importantly, our recommended process also provides options for community input and involvement. We recognize the key role community involvement plays in this process and, in order to meet that goal, we have proposed several mechanisms for incorporating this all important input. Finally, our approach includes action planning to track your progress towards implementation of your plan's goals and objectives. We will work closely with your office to fine-tune our process design in such a way as to incorporate your unique profile as an organization and government.

In addition to addressing your project goals, this proposal illustrates Sikich's unique qualifications not only as facilitators but also as local government experts with significant practical, municipal expertise to assist you in successfully achieving your short term and longer term strategic goals.

In our years of service as local government professionals, we have led similar engagements in multiple Illinois municipal organizations and have specific experience crafting strategic planning processes that lead to the development of a consensus view of each organization's goals and objectives.

If the approach in our conceptual outline fits the framework you are looking for, we would welcome the opportunity to meet with you to further explain our approach and qualifications. If you have any questions about the project approach, please don't hesitate to contact us.

Thank you again for this opportunity to assist the City on this important initiative.

Sincerely,



Gregory T. Kuhn, Ph.D.
Director, Government Management Consulting
Sikich LLP



Cristi H. Musser
Senior Management Consultant
Sikich LLP

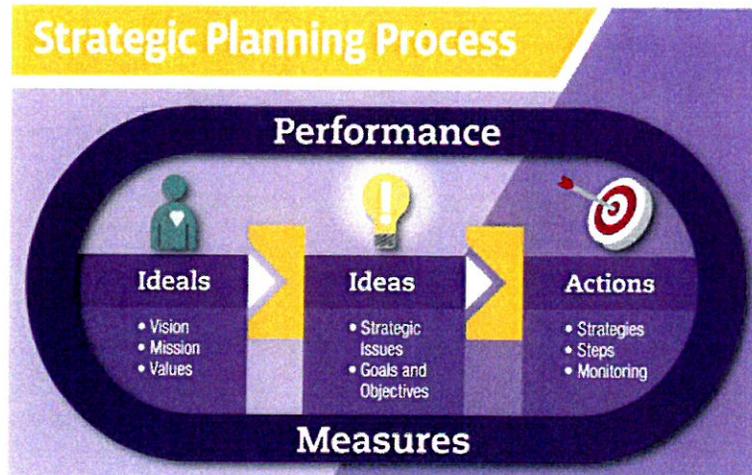
SERVICE NEED

Conceptual Approach

The degree of success of every government organization ultimately rests on how its stakeholders/citizens view how well it addresses three critical questions:

1. Are constituents' needs clearly understood?
2. How well do the programs or services of the City align with the defined needs?
3. Are programs and services being provided in the most effective and efficient manner and do they parallel with long-term visions and goals for the City?

We believe that strategic planning underlies all three of these elements because it helps determine where the organization wants to go and how it will get there. Strategic planning remains of high importance in today's constrained economic environment because it allows an organization's leadership and key stakeholders to logically and collaboratively establish short and long-term goals to realize a shared future. As the graphic below reflects, we facilitate a process by which your organization's vision, services, and activities are collectively identified along with the actions necessary to best address your City's present and future opportunities and challenges.



It is our philosophy that the full potential of strategic planning can only be reached when the unique culture of the organization and the constituents it serves are incorporated in the process. We will work closely with you to ensure that your strategic planning meets these expectations by building consensus among citizens, City officials, and stakeholders and by outlining actionable objectives to pursue. Rather than putting a plan on the shelf, you will have set the stage to work cooperatively with key stakeholders to expand on the outcomes of this project and use those plans as the foundation for future organizational decisions.

Project Understanding

Sikich understands that the City of St. Charles is seeking a consultant to assist with an update to their adopted 2008 strategic plan. That plan was developed using a full community engagement process including a steering committee that guided the process and extensive stakeholder input and events. It also included extensive input and involvement of City staff who ultimately must implement a plan's goals and objectives. It also included developing a mission, shared vision, and guiding principals. Last, but not least, the adopted plan established overall goals with action statements that could be translated into specific action steps.

Given that the 2008 plan was all encompassing, it laid a strong foundation for a 2014 Plan update that achieves the following:

- > Revisits and most likely confirms the City's mission statement and guiding principals
- > Reviews the status of the 2008 goals and action steps
- > Updates the City's vision statements
- > Creates a shared vision with actionable goals and objectives for the coming five to seven years
- > Assists the City staff with developing specific action plans

Sikich proposes to accomplish these tasks using a process that involves community and stakeholder engagement, employee input and involvement, and Council workshop activities that set the goals for the coming five to seven year planning process.

Proposed Work Plan

With these fundamental principles in mind, we propose a phased approach of facilitated strategic exercises to identify the City's strategic vision and goals. The project presented here is broken down into the following phases.

Phase I: Process Planning/Initiation

Step A: Hold Preparation and Planning Meeting(s)

In order to gain a more detailed understanding of the City's specific expectations and to finalize the process, we will hold a planning meeting with key staff members. The purpose of this meeting is to seek agreement on our outlined approach and the related outcomes. With your input, we will also select potential participants for planned meetings and events. Since leadership is an essential component of any organization-wide initiative and because the process requires commitment, energy, and persistence, we will initially seek to consult the leaders most familiar with the environment to identify the following:

- > Project Sponsor — The Sponsor is the champion of the initiative, who must be able to convene the appropriate people and resources during the engagement. We initially suggest that the Mark Koenen serve in this role. However, we will work closely with whomever you designate as a Project Sponsor, to discuss and delineate the process and to communicate progress on a regular basis.
- > Project Coordinator — The Project Sponsor should designate a Coordinator; someone who is easily accessible to assist with scheduling and communications, but who also has significant institutional knowledge to help in the relevant document gathering process.

Both the Sponsor and the Coordinator should participate in the planning meeting with Sikich. As part of our kick-off phase, we will also gather relevant data and documentation about the City. Information required by the process may include items such as financial statements, past/current long-term plans, organizational charts, all prior community surveys, any employee surveys, your current action plans with accomplishments, program data, facility plans, and/or program and operation reports.

Step B: Determine Stakeholder Input

As a key step in Phase I, the Sikich team will work with the Project Sponsor to determine the exact form that stakeholder input will take. Generally Sikich recommends a stakeholder input approach that includes a community survey, focus groups and key person interviews. However, since the City already has a current survey, we would recommend a combination of personal interviews, citizen focus groups, and management staff input. It should be noted that it will be incumbent on the City to make a decision on the community/stakeholder input scheme early in the project, so that the project schedule can be tailored accordingly. Once a community/stakeholder scheme is determined, the Sikich team will continue with Steps C and D of the Process Initiation Phase.

Step C.: Explore Communications/Media Plan

Critical to the success of any project is the effective communication of the goals, objectives, timeframes, and deliverables of the project. Communication plans help to create buy-in and help to insure the ultimate success of the recommendations. As part of Phase I, Sikich will work with City staff to prepare a plan for communicating the City's approach, citizen's opportunities for input, and the final results for the Strategic Plan update. This communications plan would include informational materials and articles for the City newsletter and City website, and other web based announcements and promotional pieces. At the start of the project, Sikich will work with the City to design the initial communication pieces. After the project is launched, periodic updates will be made as the project moves ahead.

Upon the plan's adoption, Sikich's government team and our Marketing and Design Services professional team could work with the City design an executive summary marketing piece that could be widely disseminated to the community and be available on the City's website.

In terms of public presentations, our approach is to provide an overview of the process and key findings that fit the audience or meeting's purpose. To that end, PowerPoint exhibits are prepared to foster better communications and provide focus to the discussions.

Step D. Establish Project Timetables:

Finally, as part of the project, Sikich will develop detailed time-tables with action items and responsibilities to help both Sikich and the City to measure progress. A tentative project schedule is included with the Project Budget section of the proposal. This timeline will be finalized upon agreement to move forward.

Phase II: Gather Key Person and Stakeholder Input, Analyze, and Present

Step A: Community Survey—Incorporate Data from 2013

Sikich understands that the City has, over a number of years regularly conducted a community survey. The most current survey was completed in 2013 using the National Research Center from Boulder Colorado using the National Citizen Survey (NCS) platform. A review of the NCS website indicates that their survey tool measures eight aspects of the community including: citizen engagement, education, opportunities for enrichment, recreation, wellness, the economy and both the built and natural environment.

This survey is an important document that can and should be used to inform the City's decision makers as they undertake a strategic plan update. In general these types of surveys provide decision makers with a significant amount of quantitative data that can be used to update and build on your current strategic plan. Sikich recommends that the stakeholder feedback hearing (See step D) incorporate or highlight data from this survey. Given that Sikich did not develop this survey, the exact method for incorporating this data into the Stakeholder Feedback hearing would require further discussion with City staff.

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Step B: Recap of 2008 Goals and Accomplishments

Sikich understands that the City has a system for tracking the 2008 goals and action plans and for reporting City accomplishments based on each value statement. In order to update the current plan, it would be important to understand the City's

accomplishments for each identified goal and objective. It is assumed that this task has already been accomplished by City staff. Nevertheless, it would be important to incorporate this data into the overall process and be certain that this recap is widely understood and disseminated. At a minimum this information should be included in the Stakeholder feedback report and the recommended public hearing (see Step E).

Step C: Key Person Interview

The next critical step is for the Sikich team to conduct introductory stakeholder interviews. John Bryson defines a stakeholder as, “Any person, group or organization that can place a claim on an organization’s (or other entity’s) attention, resources or output that is affected by that output.”¹ In this regard, it is important to determine *each* organization’s unique stakeholders, their influence, and how to involve them in the process. Those most knowledgeable about an organization (including its resources, programs, challenges and opportunities) are by definition key stakeholders.

By conducting one-on-one interviews with up to 15-20 key persons, Sikich will develop a more complete picture of the City that extends beyond data and financial information. Sikich anticipates that these interviews will include elected and appointed officials from both the City and other governments, the business community, and other individuals that the City wishes to include. A final determination about the number and scope of these introductory interviews and the topics to be included or probed will be made in conjunction with the Project Sponsor.

At the outset of each interview, Sikich will introduce the purpose of the Strategic Plan and explain the process to be used in updating the plan. From these interviews, both individual perspectives and common themes will emerge that are not only useful in planning and facilitating the focus groups and retreat workshops, but will also provide themes and qualitative data that can be used to facilitate the City’s consensus on future goals. These themes will be identified, recorded, further probed where appropriate and subsequently folded into the overall stakeholder feedback report (see Step E).

Step D: Focus Group Input—Community and Organizational Scanning

In addition to the survey and key person interviews, Sikich recommends that a series of stakeholder focus groups be conducted. The Sikich team has successfully used focus groups in multiple settings to gather strategic input and information. Although this input is not statistically valid, focus groups provide a “richness” of data that cannot be garnered through surveys. Sikich proposes to gather this qualitative data using carefully structured focus groups from a broad section of City stakeholders and citizens.

¹ John Bryson, Creating and Implementing Your Strategic Plan (New York: Jossey-Bass, 2004) 35.

The ideal focus group design is to conduct sessions with 10-12 invited participants (for each focus group) that represent cross-sections of the community. The Sikich team will work with the Project Sponsor or other individuals identified in the Project Initiation Phase to determine the exact number and composition of these groups. Typically focus group sessions include stakeholders representing economic development, community organizations, students, the religious community, other institutions, and important community groups.

Our recommendation is that 8-12 focus group sessions be held. If desired, one “open session” could also be held for any members of the community to share their ideas and views who were not invited or were not able to attend other focus group sessions.

All focus group sessions would be facilitated by a member of Sikich’s study team and would be designed events with structured questions and an opportunity for all participants to provide their input in a relaxed and encouraging atmosphere. At the outset of each focus group session, Sikich will introduce the purpose of the Strategic Plan and explain the process to be used in updating the plan. Each focus group would be asked to answer the same set of selected questions by the City from a variety of possible questions. Focus group input would be recorded on large flip charts as each session proceeds and would be later transcribed.

At the conclusion of the focus groups, collected data would be coded and analyzed for key themes using the qualitative analysis software, NVivo. This tool allows the analyst to identify key themes and important sub themes and tabulate the occurrence of all themes and subthemes. This is a valuable tool because where the facilitator may intuitively understand a theme, the software can be used to attach a numerical count of that theme and to identify the theme as occurring in a number of ways. For example a key theme may occur across all groups and questions while another theme may only apply to one or two questions. Sikich would then prepare a stakeholder feedback report for decision makers that would reveal these themes and allow them to digest the qualitative data and apply it to the strategic plan.

Step E: Stakeholder Feedback Report/Hearing

At the conclusion of phase II, Sikich will prepare a stakeholder feedback report that includes the qualitative data gathered during the key person interviews as well as the focus group sessions. Sikich will be available to make a formal presentation of the report at a public hearing or meeting of the City Council. Ideally this feedback session would incorporate the results from the City’s quantitative 2013 survey data along with collected focus group and key person interviews from 2014 into an integrated findings and feedback session (hearing).

Phase III: Strategic Plan Leadership Workshop

Step A: Lead Management Team Exploratory Workshop

In order to ensure that the City's senior management team is fully involved in this process, Sikich proposes to hold a strategic exploration workshop with that team. The management team will work with the facilitators in a retreat setting to review current conditions, provide coaching on identifying strategic issues, and will summarize senior staff's role and our approach for facilitating the project. This working session will also add to the Sikich team's base of knowledge about the City. In addition, and most importantly, this session is an opportunity for your management team to become familiar with strategic planning concepts and processes so that they are better prepared to provide their unique and critical input during the planning process.

Step B: Lead Council and Senior Staff Strategic Planning Workshop(s)

During approximately 8-10 hours of workshop discussions involving the City Council and Department Directors, the City's leadership team will explore stakeholder and citizen input and other collected data along with their own views of the past and present to establish a common ground in a series of designed conversations that are structured to lead to consensus about the future mission, goals, and objectives of the City. The Sikich team's primary objectives during the retreat will be to:

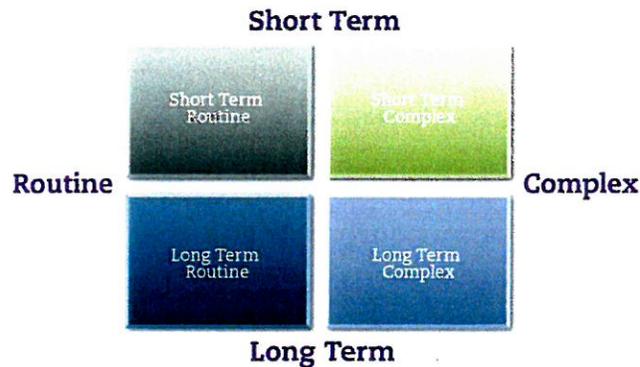
- > Guide participants through the strategic planning process
- > Provide feedback on collected data
- > Establish a historical context
- > Create a participative, team environment for all
- > Develop an organization mission statement
- > Examine the context of the internal organization, as well as its external and competitive market
- > Conduct a SWOT analysis to reflect on relevant external forces and trends
- > Identify and categorize goals using nominal and group processes
- > Assist participants in reaching consensus on priorities
- > Engage all participants in constructive dialogue

The workshop's overall design and activities will consider how to build relationships and understanding among governing board members and staff and to consider input from stakeholders and citizens in the community for the benefit of the planning process. We believe that jointly exploring the past, the present and the future in the context of input from the community and stakeholders is the most effective process to lead to realistic goal-setting.

In addition to reviewing the present, workshop participants will spend time envisioning a desired future of the City and establishing goals. Our approach will enable people to consider the activities the City should be performing, as well as the programs or services they hope to provide in the future. Leaders will reach consensus on items that will guide decision-making for the foreseeable future.

The Sikich team will conclude the process with additional consensus exercises by asking participants to categorize goals by time and complexity as well as relative priority. Following the identification of goals in the workshop, elected officials will be asked to prioritize (via a ranking exercise), the preferred sequence of action for short-term (1 to 2 years) and long-term (5 to 10 years) goals generated during the process. A visual depiction of the goal prioritization matrix developed by Dr. Gerald Gabris appears below:

The end results of these sessions will be a mission statement, strategic goals, and key initiatives that will feed into detailed future planning (see Phase IV).



-Gerald Gabris

At the conclusion of the process, Sikich will meet with the Sponsor to review a draft summary of outcomes in a preliminary report. Additionally, we will discuss strategies that may assist in communication and implementation of the plan. Sikich will provide a final report of the work previously outlined including participant developed statements, summary information from interviews and the retreat, and ranked/categorized goals (see phase IV).

Phase IV: Finalize and Present Strategic Plan Report

At the conclusion of the process, Sikich will meet with the Sponsor to review the draft compilation report discussed in Phase III. Sikich will provide a final summary report of the work previously outlined—including participant developed statements, summary information from interviews and the retreat, and ranked/categorized goals. Assuming it is desired by the City, the final plan document will be presented to the Village for acceptance or approval.

Also as part of this phase, Sikich will revisit and discuss strategies for communication of the plan. It is important to deploy the new plan both throughout the organization and externally to create awareness of the new plan, any changes or updates to the organizational philosophy and decisions regarding priorities and goals. In this regard, Sikich will involve its Marketing and Design Services team to create an Executive Summary communication piece that could be widely disseminated not only within the City organization, but also to process participants, other organizations, and the community at large through web based pieces. The eventual design, content and exact information and focus of this summary piece would be a collaborative effort between City staff, Sikich's project staff and Sikich's Marketing team.

Phase IV: Performance-Based Action Planning

Once an agreed-upon grid of goals is developed, the City's focus should move to effective approaches for implementation. Action plans, scheduling, and structural assignments will produce the necessary levels of awareness and accountability that are required for long-term success. Sikich will work with City staff to discuss the goals and objectives and translate them into actionable tasks. In addition, we will discuss practical tools to assist the City in moving goals from 'bookshelf' ideas to actions.

This phase would center on the design and creation of action-planning reports including departmental/staff tracking documents, management reports and City Council progress reports. Through a series of follow-up meetings with staff, goals and objectives would be discussed in detail and operationalized to develop action plans noting the steps, timelines and responsible persons.

A separate action plan for each goal/objective can be placed into tracking documents and customized with performance data such as percentage complete and preceding steps. Where appropriate, we also encourage the development of performance measures, to rationally demonstrate success at accomplishing the strategic plan's desired outcomes. Please refer to the Exhibits section, page 24, for the supplemental description of this optional phase.

Approach Summary: Leadership's Expression of the Future

A comprehensive view of the strategic planning model that has been described above can be seen in the illustration below. Strategic planning is a multi-phase process that most closely resembles an on-going cycle of information gathering, assessment, decision-making and follow-through. In short, strategic planning represents *leadership's expression of the future*. The benefits that will be realized will include both a collective understanding of leadership's views as well as a working guide for both the Council and staff to follow to pursue the goals that will shape the City's future.

