STRATEGIC PLANNING WORKSHOP REPORT

City Council and Executive Leadership Team
City of Irving, Texas

IRVING TEXAS

Prepared by:

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June 26, 2015
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Introduction & Background

The City of Irving, Texas, a thriving community of approximately 228,000 residents located in the center of the Dallas / Fort Worth Metroplex, is a progressive and professionally managed municipal government. As the first municipal government in Texas - and the second in the Nation – to earn the Malcom Baldrige Quality Award, strategic thinking, planning and management have played a strong role in the organization’s culture since 2006. As described on the City’s website, the City of Irving “is guiding its future growth and development with its Strategic Plan which consists of 10 goals and 57 strategies and is based on input from City Council, staff, residents, visitors, and businesses.” Both elected and appointed leaders understand that the decisions they make on weekly basis with respect to such matters as growth and development, municipal operations, spending and capital investments must be considered within a clearly articulated strategic framework.

Over the eight years since the adoption of the first strategic plan, the value of strategic thinking has been proven. Citizen satisfaction with code enforcement, appearance of the city, quality of life, and other indicators of success has risen, the quality of life for Irving residents has improved and the city’s business sector continues to thrive. Again citing the City website, systematic attention to strategic planning has allowed the City to “stay focused on what is most important to our customers and drives advancement in the areas that matter most.”

The newly appointed City Manager has identified a need to take a fresh look at the strategic plan in light of routine turnover on the City Council, changes in the executive team, and the overall dynamism of the local and regional economies. As illustrated in the diagram on the following page, the City Manager has launched an aggressive program of refreshing and resetting the City’s key planning documents, including both the Comprehensive Plan and the Strategic Plan. He is also developing a multi-year financial plan that will allow policy makers to make better informed policy decisions and is re-vamping the annual planning, budgeting and business planning cycle to ensure alignment of the community’s vision, the organization’s mission, the financial realities and the most important operational priorities.

The Azimuth Group, Inc. was invited to support the initiation of this process of planning and alignment through the planning and facilitation of a strategic planning workshop for the Mayor, Council and senior executive team. This report documents the planning process, its results and recommendations developed in response.
**Comprehensive, Strategic & Operational Planning Model**

**Comprehensive Plan**
- Long Range: 20+ Years
- Community based
- Future land use
- Housing
- Transportation
- Open Space

**Strategic Plan**
- Mid Range: 3-5 Years
- Organizationally based
- Mission statement
- Strategic goals / focus areas
- Specific strategies and actions

**Financial Plan**
- Long Range: 10-15 years
- Revenue and expense projections
- Policy implications / “reality check”

**Annual Budget & Business Plans**
- Short Range: 1 Year
- Immediate needs
- Tax and revenue rates
- Departmental service levels and spending plans
- Capital outlays

**Strategic Management**
- Performance standards and targets
- Results and transparency

**Purpose / Value**
- Shared Community Vision

**Informs**
- Aligned Organizational Mission & Priorities

**Moderates**
- Balanced Needs, Wants and Resources

**Drives**
- Detailed Operational & Capital Plans

**Enables**
- Rigorous Performance Management
Planning Process Overview

Effective strategic planning involves the gathering, sorting and prioritizing of the best thinking of the City of Irving’s policy leaders and executive managers, focused on the core purposes of the organization and the most important attributes of success. The City of Irving’s strategic planning workshop, conducted on February 18, 2015, resulted in the development and agreement on a framework to guide the decisions of both elected leaders and appointed managers over the next 12-18 months as other ongoing planning efforts are completed.

The elements of that framework included:

- Validation and re-confirmation of the existing statements of the municipal government’s vision, mission and core values.
- An examination of the current operational environment and the identification of important external forces and trends that influence and impact the City of Irving’s ability to meet citizen expectations.
- Assessment of the city organization’s strengths, weaknesses, opportunities and threats.
- Development and prioritization of six strategic goals around which key policy decisions can be evaluated and important organizational and operational activities can be managed.

The strategic planning workshop focused primarily on **What** the City of Irving needs to do achieve its overall vision for the city’s future. As such, the strategic planning process is more foundational in nature and less about the day-to-day **How** of city operations and service delivery. Good strategic planning addresses the issues that challenge you today and, more importantly, those that will challenge you tomorrow. Accordingly, the planning workshop was designed as an exercise in collective foresight as both elected leaders and professional staff worked together to clarify what success looks like for the City of Irving in light of expected future conditions and the direction that the community’s policy leaders want to take the municipal organization.

In its annual budget and strategic plan review, held on May 20-21, 2015, the City Council received a detailed presentation on the results of their planning workshop and validated the six strategic goals and reviewed, adjusted and prioritized a total of 25 objectives that will support and drive the attainment of the established Council goals and will assist the staff in the formulation of the annual budget.
Vision, Mission and Values

After an initial ice-breaking / team building exercise, the workshop participants reviewed and validated the existing City of Irving statements of Vision, Mission and Values and determined that for the purpose of the workshop and the immediate future, the existing statements remain valid and appropriate.

An organization’s Vision is aspirational in nature. It defines what the organization wants to be or to achieve. It is an idealized description of the desired future state of the community. The City Council reaffirmed the existing statement of vision as shown below:

CITY OF IRVING VISION

“Irving will be the model for safe and beautiful neighborhoods, a vibrant economy, and exceptional recreational, cultural, and educational opportunities.”

A Mission Statement describes the organization’s purpose. It defines the “business” of the organization and its relationship to its customers. Workshop participants briefly reviewed and confirmed the continued validity of the existing mission statement, as follows:

CITY OF IRVING MISSION STATEMENT

“Deliver exceptional services and promote a high quality of life for residents, visitors, and businesses.”

Finally, Core Values are the fundamental principles that guide how members of the organization conduct themselves while carrying out the mission in pursuit of the vision. Together, the values provide an ethical framework for decision-making and action. As with the statements of vision and mission, the City of Irving Council and staff developed a set of core values, along with supporting definitions, in a prior workshop. The City Council reviewed the existing value statement and made minor adjustments, resulting in the following listing:
CITY OF IRVING CORE VALUES

- We exhibit personal integrity with every decision.
- We serve by leading and lead by serving.
- We show a high level of respect and concern for our coworkers and customers.
- We encourage creativity and innovation to improve our effectiveness.
- We learn and grow in a progressive work environment.
- We excel through desire, determination, and dedication.

Environmental Scan / Context Map

Strategic planning cannot occur in a vacuum. Rather, it must be based on a clear understanding of the environment within which the strategy will be carried out. The Mayor, participating Council members, the City Manager and top members of the professional staff participated in a structured exercise to describe the current conditions impacting the City of Irving’s ability to effectively understand, plan and deliver services in the public interest. This exercise focused the thinking of participants on the following aspects of the current operational context:

- Societal and organizational trends.
- Political factors.
- Economic climate.
- Citizen needs.
- Technology factors.
- Uncertainties.

In addition to documenting these important factors and trends, workshop participants discussed their significance for the Irving community and their impact on city government and its ability to deliver quality services at an affordable cost.

The result of this environmental scan, in the form of a graphic context map, is shown on the following page.
Strengths, Weaknesses, Opportunities, Threats (SWOT) Analysis

Whereas the environmental scan was primarily focused on external conditions, for the SWOT analysis, workshop participants were asked to critically and constructively consider attributes of the Irving city government itself.

- **Strengths** are those assets and capabilities currently available within the organization and that can be leveraged to achieve desired results.
- **Weaknesses** are those problem areas or aspects of the government organization that are currently standing in the way of strategic success and that must be overcome to achieve optimal results.
- **Threats** are current or potential future internal or external events that, if unmitigated, have the potential to seriously impair the organization’s ability to realize strategic success. These may be political, economic, societal, natural or man-made in nature.
- **Opportunities** are future-focused and are conditions that can, if properly understood, be captured to obtain strategic advantage through capitalizing on strengths, overcoming weaknesses and mitigating threats.

The SWOT matrix on the following page display the consensus Strengths, Weaknesses, Opportunities and Threats identified by the workshop participants.
Strategic Goals and Objectives

After confirming the City of Irving’s overall vision, mission and values, systematically scanning the external environment, evaluating the strengths and weakness of the organization, identifying opportunities and threats, the workshop participants next turned their attention to the specific actions and results they believe to be likely to have the greatest positive impact on the long-term success of the community and the organization.

To identify these areas of strategic focus, the workshop facilitator applied a technique known as “future pull.” The workshop leader challenged the participants to mentally go forward in time to imagine great success. Participants were then asked to visualize a situation where the city had achieved its vision through successful accomplishment of its mission while operating within its value framework. Then they were asked:

“Looking back from a position of great success, what, specifically, did the city do to achieve that success?”

Each participant listed the action steps that, if taken today, would lead the city to that future position. They thought about how to leverage the identified strengths to overcome problems and how to mitigate threats to create opportunities. Many individual ideas were generated. Then, working together with the participants, the workshop facilitator grouped the ideas together on a graphical chart to reveal common strategic themes. From this exercise, a total of six strategic goals emerged as the most important for the City of Irving’s future, as follows:

<table>
<thead>
<tr>
<th>STRATEGIC GOALS</th>
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<tbody>
<tr>
<td>• Financial sustainability</td>
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<tr>
<td>• Systematic infrastructure investment</td>
</tr>
<tr>
<td>• Service excellence</td>
</tr>
<tr>
<td>• Vibrant economy</td>
</tr>
<tr>
<td>• Inclusive and collaborative governance</td>
</tr>
<tr>
<td>• Talented and energized workforce</td>
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</tbody>
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Within each of the goals, an initial set of strategic objectives was developed by the workshop facilitator and presented to the Council at its budget retreat. After review, discussion and ranking by the members of the Council, specific objectives supporting each of the strategic goals were agreed and finalized.
Those objectives, in rank order of importance as determined through electronic keypad voting by the participating members of the City Council, include the following:

**Goal 1 – Financial Sustainability**
- Objective 1.1 – Contain costs and increase operational efficiency.
- Objective 1.2 – Maintain adequate financial reserves.
- Objective 1.3 – Develop and deploy a long range financial planning process.
- Objective 1.4 – Establish appropriate equipment replacement funding levels.
- Objective 1.5 – Manage long term pension liabilities.

**Goal 2 – Systematic Infrastructure Investment**
- Objective 2.1 – Secure a reliable future water supply.
- Objective 2.2 – Develop and fund an aggressive multi-year capital improvement program.
- Objective 2.3 – Expand, extend and maintain the major thoroughfare network.
- Objective 2.4 – Maintain and extend water, wastewater and storm water systems.
- Objective 2.5 – Support strategic investments in city facilities.

**Goal 3 – Vibrant Economy**
- Objective 3.1 – Promote revitalization of targeted areas.
- Objective 3.2 – Create a thriving downtown.
- Objective 3.3 – Develop a comprehensive economic development strategy and funding model.
- Objective 3.4 – Complete “signature projects.”
  - Texas Stadium site.
  - Heritage Center.
  - Urban Center.
- Objective 3.5 – Effectively plan and manage land use.
  - Complete the comprehensive plan update with extensive stakeholder engagement.
  - Strengthen and observe development ordinances and standards.

**Goal 4 – Service Excellence**
- Objective 4.1 – Safeguard public safety, security and health.
- Objective 4.2 – Leverage information technology to drive efficient and responsive service delivery.
- Objective 4.3 – Improve community appearance and protect neighborhood integrity.
- Objective 4.4 – Clearly define service levels and the associated resource requirements.
- Objective 4.5 – Implement enhancements to cultural and recreational facilities.
Goal 5 – Inclusive and Collaborative Governance

- Objective 5.1 – Actively engage and communicate with the community.
  - Develop active Community Councils.
  - Sponsor multi-cultural forums.
- Objective 5.2 – Ensure transparent and inclusive government.

Goal 6 – Talented and Energized Workforce

- Objective 6.1 – Encourage and reward employee innovation and creativity.
- Objective 6.2 – Recruit, retain and develop a diverse municipal workforce.
  - Competitive compensation and benefits.
  - Leadership training and development.
- Objective 6.3 – Develop a succession plan and succession management process.

Goal Prioritization

After identifying and agreeing on the six strategic goals, the participants engaged in a process of anonymous electronic ranking and evaluating them using anonymous voting technology. Each of the goals was evaluated on two separate dimensions: **Strategic Importance** and **Current Performance**.

The first evaluation, **Strategic Importance**, used a paired comparison / forced choice ranking method to establish a hierarchy of strategic priorities. Recognizing that the city organization needs to accomplish all six of its strategic goals achieve the desired future state, this process helped to determine the relative importance of each.

The **Performance** dimension allowed the participants to score how well they feel the city organization is currently performing or succeeding on each of the strategic goals on a 1 to 9 scale, with 9 being “practically perfect” and 1 being “not at all.”

Having evaluated each of strategic goals on both Importance and Performance, it was then possible to plot a profile of the results on a 2x2 matrix, as shown at right. Definitions of the four quadrants of the strategy profile are as follows:
• **“Givens”** are high value/high performance items. They constitute the city government’s primary strategic priorities.

• **“Foundational Strategies”** are vital support functions. They are necessary to the system and should be performed at least an acceptable level.

• **“Immediate Opportunities”** indicate key areas for innovation that can have major and early impact on success. They show where not only "doing things differently" but *doing different things* are imperative. Implementation time lines are one year or less.

• **“Mid to Long-term Opportunities”** represent key success factors that would likely be brought online following execution of the Immediate Opportunities. These *innovations* are usually 1-2 years or more out.

Based on the strategy profile, the following priority assignments of each of the six strategic goals can be made:

• **Givens – Primary Focus Areas**
  - Financial sustainability

• **Foundational – Must Haves**
  - Vibrant economy
  - Service excellence
  - Inclusive and collaborative governance
  - Talented and energized workforce

• **Immediate Opportunity – Plan and Invest Now**
  - Systematic infrastructure investment

• **Mid to Long Term Opportunity – Research and Plan**
  - None identified at this time

As illustrated in the prioritization profile on the following page, three separate prioritization votes were captured in this process: 1) the participating members of the City Council ("Council"), 2) the City Manager and his immediate executive team ("Execs") and 3) the City’s department directors and senior managers ("Mgmt"). Overall, the prioritization voting suggests that there is considerable congruence between the City Council’s prioritization and that of the city executive and management teams. The largest divergences were noted in terms of relative importance of the “Service Excellence,” “Vibrant Economy” and “Talented Workforce” goals.

From the City Council’s policy perspective, the top three priorities identified were the enhancement of the city’s long-term financial sustainability, the need for systematic investment in critical infrastructure improvements and the building of a vibrant, thriving economic development and redevelopment program.
Strategy Map

A strategy map is simply a graphical depiction of an organization’s strategy in terms of its vision, mission, core values, strategic goals and business objectives. It serves as a quick reference guide to the city’s strategy and is a useful tool for organizing and aligning departmental plans, objectives and resources in support of the overall plan. A map summarizing the City of Irving’s strategy is shown on the following page. This map can and should be reviewed and revised as the City’s strategy evolves in light of the results of other, ongoing planning activities.

Strategy Execution

Strategy execution is often the most difficult and challenging aspect of strategic management for an organization to tackle. Execution includes translating the strategy into operational plans, building organizational alignment and monitoring performance against plans to ensure an organization stays on course to achieve its strategy. Developing a comprehensive action plan that accounts for these execution building blocks and providing the necessary resources to make it happen will enable the city to achieve results that are more predictable, in line with its stated direction.

The model below depicts the four main components of strategic management. This model is an adaptation of the “balanced scorecard” approach first introduced by Dr. Robert Kaplan and Dr. David Norton in the early 90’s, and is widely considered a best practice in the strategic management discipline. As shown in the model, strategic management is a cyclical process, including the following major elements.

- **Formulate/Review Strategy:** Articulate the mission, vision, values, and high-level goals and success indicators. Review the strategy at least annually and adjust as needed.

- **Develop Operational Plans:** Develop departmental business plans and budgets that include the specific objectives, performance targets, initiatives/projects, resources and funding required to achieve the strategy.
• **Build Alignment:** Communicate the strategy and plans internally and with key external stakeholders, incorporate strategic goals and objectives into employee performance plans and link compensation and reward to strategic results.

• **Monitor Results:** Measure, analyze and report on performance results against plans/targets, resolve issues, make course corrections as needed, and share knowledge and best practices to improve overall organizational performance.

With the completion of the strategic planning workshop, the City of Irving has made a first step towards finalizing the “Formulate Strategy” phase through the validation of its vision, mission and values and the development and prioritization of its high-level strategic goals. The next steps in the transformation of the city’s operating model from business as usual to truly strategic management will require deliberate and systematic focus on the adoption and execution of the remaining three components of the cycle.

## Recommendations

The planning workshop organized and facilitated by the Azimuth Group was a continuation of the City of Irving’s long-established emphasis on the implementation of strategic thinking, planning and management. The results of this effort are encouraging and should help to establish a solid foundation for future refinement and improvement.

**RECOMMENDATION**  
*Review, discuss and refine the strategic plan presented in this report as necessary and appropriate.*

This effort is best described as a “first step” in the City’s overall process of resetting the strategic plan within the larger concept of the comprehensive and financial planning model. The Council and executive staff should work together to review and confirm the strategic goals and objectives established in the planning workshop and, importantly, develop a more robust and complete set of objectives to support the accomplishment of the goals.

**RECOMMENDATION**  
*Commit to a regular, annual process of strategic planning directly linked to the budget process.*

Going forward, the Mayor, Council and staff should follow a disciplined practice of collaborative planning and goal setting that is truly strategic in nature. An annual or even bi-annual offsite strategic planning retreat should be considered and used to focus on the major challenges and opportunities facing the city, allowing the Council to provide the City Manager with the key strategic focus areas and policy direction for the planning period. The results of the strategic planning retreat and any guidance provid-
ed by the City Council then becomes the foundation for the staff’s development of the annual budget and supporting departmental operating plans, performance measures and targets.

**RECOMMENDATION**  
*Develop and implement a strategy deployment and execution plan.*

The City Manager, in the role of the city’s chief executive officer, should have the primary responsibility for strategy execution. For the City Manager to do so, the City Council, acting in its role of a corporate Board of Directors, must first take responsibility for strategy formulation. Just as policy is the province of the Council and administration the province of the staff, so it is with strategy. The Council sets strategic priorities, defines how their accomplishment will be measured, and then holds management accountable for the effective execution.

**RECOMMENDATION**  
*Identify and adopt reporting tools and processes to monitor and track progress, identify further improvement opportunities and document results.*

Once the Council adopts the city’s new strategic plan, that strategy becomes the documented policy of the governing body and the City Manager is accountable for its execution. The Council should focus more on the desired outcomes / results they expect the city government to achieve and less on the detailed means / tactics by which those results are obtained, subject to limitations and guidelines established by the Council and law.

By ensuring that strategic goal attainment and operating results are measured and reported by management to the Council and the general public, an improved focus on accountability for results is created and can foster a climate of mutual confidence and trust between elected officials and appointed staff.