



INTELLIGENCE

ASSOCIATION OF GOVERNMENTAL RISK POOLS

Strategic Planning for Pools

By Ann Gergen

For most pools, the new year means a restart for routine operational and governance activities: holding member meetings, processing renewals, binding reinsurance coverage, setting member rates, engaging in strategic planning and so forth. It's also a great opportunity to reassess these critically important processes in the context of current needs and circumstances.

When it comes to strategic planning—a best practice for pools included in [AGRiP's Advisory Standards for Recognition](#)—critical reevaluation like this is particularly important. Effective strategic planning can set your pool on a course for success in the new year and beyond, but a suboptimal process can be anything from a waste of valuable resources to a long-term detriment for your pool and its members.

In this issue of *Intelligence*, we'll explore the need for a strategic planning process tailored to your pool, key things to consider as you prepare to plan, how best to implement your plan once developed, and when you might want to engage an external planning consultant.



COMMON QUESTIONS POOLS ADDRESS VIA STRATEGIC PLANNING

- Is our pool's mission and/or vision statement still appropriate?
- How is our pool's competitive environment changing, how are we doing relative to competitors, and what differentiates us in the market?
- What member risks and demands are most likely to impact our pool in the future?
- What services within our member entities could our pool better support?
- What trends in the insurance industry might influence our coverages, services or operations?
- What are our pool's largest threats and challenges today, and what threats and challenges are on the horizon?
- What coverage, service or operational norms should we reevaluate and possibly eliminate?
- What uncomfortable changes does our pool have to make in the next five years?

No One Size Fits All

In order to do strategic planning well and achieve useful outcomes, you'll need to utilize a process uniquely constructed for your pool and the issues it faces.

For some pools, strategic planning is the anchor for priorities and helps define the work undertaken each year. For others, it's a less frequent effort used only to manage through big changes like membership growth or a new coverage line. Still others conduct strategic planning for targeted needs—e.g., to refine their vision or mission statement or launch a new brand strategy with members.

Of course, not all of these examples align with how a business school would define or describe strategic planning—but that's okay. For the sake of applicability within the pooling environment, you can think about strategic planning as *deep thinking and analysis that allows your pool to set goals and map a course from one point to another.*

All this is to say that pool rationales for and approaches to strategic planning are just as varied as pools themselves. That means, in order to engage in effective strategic planning, **your pool will need to design and implement a specifically tailored approach.**

Preparing to Plan

Preparation is key to any strategic planning effort. As you lay the groundwork for strategic planning, you'll want to think through the following questions in the context of your pool's specific goals and needs.

→ Why are we doing strategic planning now?

Hint: If the answer to this question is solely "Because we always do strategic planning at this time each year," you might want to hit pause.

There's little to be gained from holding a strategic planning session merely to say you've done so. Perhaps the most important overarching guidance to strategic planning is this: If you can't readily articulate the reason you want to do strategic planning work, you're not ready to start.

It might be useful to consider what changes are most pressing to your pool. Maybe you're looking to do strategic planning concurrently with [succession planning for your pool's top executive](#). Your pool might have outlined new goals for membership growth or is adding or improving services to meet future member needs. Perhaps your pool is rethinking its net position targets or making a sizable investment in its technology infrastructure.

Stasis also presents opportunities for strategic planning. Your pool might engage in strategic planning to ask: Are we in danger of being complacent? Are there changes looming that we've failed to identify? Should we be proactively adjusting things?

For strategic planning to be as effective as possible, it's a good idea for your pool's governing body to help define the underpinning rationale. Even if the process is designed and executed primarily by staff, having a shared perspective with your governing body will keep everyone connected and fully supportive of the direction ultimately suggested by your planning efforts.

Finally, take stock of current events or issues facing your pool to be sure this is the best time to invest in a strategic planning process. If there are crises or other circumstances that will prevent your staff and governing body from being fully engaged—or which could cloud the outcomes—it might be better to wait.

→ **What duration of time are we looking to plan for?**

As you consider the reasons strategic planning is important for your pool right now, also consider the time frame your plan ought to cover.

A three-to-five-year outlook for a strategic plan is typical because change often takes that long to implement and financial goals can be aligned over the same period.

However, your pool's planning process might need a different time horizon. In most cases, stretching your strategic planning further into the future (say, five or more years) will help keep focus on long-term goals and prevent ideas from being limited by present circumstances. A long enough planning time frame can help you think outside current constraints and historical norms, allowing you to more readily identify future opportunities.

There are also times (like when a pandemic disrupts all of your goals and operations) when your strategic plan might be more immediately focused on the next year or two. Don't hesitate to shorten your planning time frame and adjust your process to meet your pool's most pressing needs.

→ **What outcomes do we expect from our strategic planning process?**

You can probably readily identify a few of the top priorities that will emerge from your pool's strategic planning process. For instance, if your pool is facing a major change in claims workflows as you introduce new technology tools, you might expect staffing realignment to be a major plank of the new plan. A recent legislative change in PTSD compensability might mean your pool's net position target needs to be increased. A change in the market environment might indicate an influx of new pool members requiring an updated communications strategy.

Now, it might seem a little odd to ask this question just before you go through strategic planning. After all, if your pool knows what the outcomes are likely to be, does it really need to go through the exercise?

While you don't want to predetermine direction, you do want to at least align your strategic planning process with expected outcomes. Anticipating these likely results will help your pool identify strategic planning techniques that will be most useful, inputs helpful to the process, a consultant who might be best suited, and perhaps even ideal timing to engage in planning activities.

Even more important, perhaps, is that a high-level discussion of expected strategic planning outcomes might identify fundamental disagreements within your pool regarding what's expected or desired. Having a conversation about outcomes during this preparatory phase will help you identify whether your pool needs a precursor process to get you to a solid planning foundation.

PLANNING PROCESS QUESTIONS

- Why are we doing strategic planning now?
- What duration of time are we looking to plan for?
- What outcomes do we expect from our strategic planning process?
- Who are the stakeholders that could be impacted by our strategic plan, do we want to involve them, and what kind of input should they have?
- What strategic planning deliverables do we expect?
- What resources need to be allocated for strategic planning?
- How will we know if our strategic planning work was successful?

Strategic planning

deliverables can

include detailed

documentation of

priorities, work

assignments,

resources, deadlines

and more.

→ **Who are the stakeholders that could be impacted by our strategic plan, do we want to involve them, and what kind of input should they have?**

Whom your pool involves in its strategic planning process is another key consideration, as is the nature of that involvement.

Input from pool member stakeholders may be useful for addressing some questions of strategy. Such input can be solicited through outreach to all members or by consulting member committees and workgroups.

Other stakeholders could include sponsoring or endorsing associations, professional associations important in your environment, or even contracted experts who have insight into your pool's operations and current issues. Depending on your pool's staffing size and culture as well as the nature of your strategic planning goals, pool staff (whether in-house or contracted) may be another important stakeholder group.

Stakeholder input can provide important context about what your pool will be asked to do in the future, changing trends that will influence your coverage or operations, or how perceptions of your pool might vary by group. Stakeholder meetings might also help build or reinforce critical pool relationships, which can be useful beyond the strategic planning process itself.

However, stakeholder input has the potential to send your pool down a path it's not prepared to address. In other words, don't ask for stakeholder input unless your pool is fully ready to listen and respond. And remember: Any degree of stakeholder involvement carries an implied promise for follow-up, so it's important to manage stakeholder expectations and provide updates along the way.

→ **What strategic planning deliverables do we expect?**

In addition to thinking about broad outcomes your pool wants to garner from a strategic planning process, also think about the specific deliverable(s) you expect.

Some pools want a complete report of discussions that occur during strategic planning (similar to meeting minutes). Others might prefer a one-page executive summary—or even an artistic visual rendering of the new strategic vision.

It might be enough for your pool to have a list of three to five high-level goals as a result of your strategic planning work. You might also want the process to determine a few tactical steps your pool will take immediately. Beyond naming the strategic priorities themselves, strategic planning deliverables can include detailed documentation of priorities, work assignments, resources, deadlines and more.

Consider what planning deliverables you will need in order to implement your strategic plan effectively (see more about implementation later on) as well as what documentation is needed for future understanding about current planning. Then, create clear expectations about what a “strategic plan” looks like for your pool and how strategic planning will be documented for the future.

→ **What resources need to be allocated for strategic planning?**

Your pool's strategic planning effort will likely require partial allocation of staff resources for a fairly short period of time, but those resource needs will still be

notable. Failure to allocate appropriate staffing resources—including adequate time for thoughtful planning, gathering appropriate stakeholder input, and documenting strategic planning outcomes—can make the difference between an effective planning process and one that falls short.

Also consider realistic timing for how and when you'll engage your governing body. For many pools, strategic planning is additive to regular governing body meetings and requires the governing body to set aside a few days of time to focus on strategic conversations.

There may be other resources to consider as well—for instance, the venue and setting for the actual strategic planning process. It may be a good idea to hold strategic planning meetings in an environment that's different from your pool's normal meeting place and conducive to the process you envision. This might include spaces appropriate for large and small group work, adjacent areas for meals and refreshments, and environments that encourage active, creative thinking.

If you are conducting strategic planning through virtual meetings, be prepared to adjust your approach to ensure good participant engagement. Instead of holding strategic planning sessions over two full days, for instance, consider short two-hour virtual meetings that run several days in a row or even every other day for two weeks.

Especially (but not only) if you are conducting strategic planning through virtual meetings, you'll want to consider technology resources for group brainstorming and capturing ideas. Online polling, whiteboarding and other tools can keep everyone engaged in the process and aid in producing strategic planning deliverables. Not only should you explore the right kinds of tools to use for your pool's strategic planning work, but you should also invest in training on how to use those technology tools effectively in a strategic planning setting.

→ **How will we know if our strategic planning work was successful?**

As with any process or project implementation, defining success measures at the outset is important for strategic planning.

This question isn't suggested as a post-process reflection on whether your strategic plan itself panned out as expected. Rather, it's a prompt to decide how your pool (including its governing body) will ultimately measure the success of the preparatory work you do, the strategic planning meeting(s) you hold, and the report or deliverables you develop as a result.

Implementing Your Plan

Strategic planning will result in a set of important goals and objectives, but your pool-wide efforts won't end there.

Implementing your new strategic plan will likely be done over several years and across multiple work teams, and it will probably require continuing work on the part of your pool's governing body. This is exactly why having a clear purpose and commitment to strategic planning is so important—your pool will be living with the results for a long time to come.

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Just as with the plan development process itself, every pool’s strategic plan accountabilities and implementation will be different. Ultimate accountability for implementation could reside with the top pool executive, the staff management team, a governing body committee, or some other person or group within the pool’s organization.

As for the implementation process itself, some pools might create a list of objectives and tactics based on strategic planning goals. Those tactics in turn form the basis of staff work assignments and due dates, with project owners held accountable as part of the pool’s overall performance management approach. In some cases, pools link these work assignments and due dates to resource allocations in their budgets. This means financial reporting and progress toward strategic goals become tied, which keeps the strategic plan at the forefront of conversations.

Other pools might make a direct tie between the strategic plan and the governing body. Each agenda item for a governing body meeting might include a reference to the related element of strategic planning so the governing body is clear about how its decisions directly connect to strategic goals.

Because strategic plan implementation typically takes place over several years, it’s wise to build in regular opportunities for progress assessment. Many pools schedule an annual governing body review of goals and priorities contained in the strategic plan, working in corresponding conversation about progress and other pool efforts that might be impacting work.

Practically speaking, consider having your governing body address your strategic plan at least once a year and having a staff report-out on progress. Your governing body will be able to track and celebrate progress toward goals as well as consider any necessary shifts in direction. Annual reporting like this creates good accountability and serves as an educational opportunity.

Developing Appropriate Language

Regardless of the process used, implementation can be difficult if strategic planning outcomes are framed only in lofty, aspirational terms. It would take a fair bit of work to determine an implementation plan for a strategic goal such as “Become the premier provider of liability coverage for cities.”

Similarly, operational tactics disguised as strategic outcomes can be difficult to implement. “By March, be fully using our new claims system” may be a strategic goal designed to underscore the priority of moving through a technology transition quickly. But it doesn’t leave room for important considerations about data integrity, system training and integration with other systems.

It takes effort to develop strategic plan language that hits just the right level of aspiration and accountability for effective implementation. Indeed, the most successful strategic planning offers inspiring goals with enough definition to measure progress over time. Here’s an excerpt from one pool’s strategic plan that hits the mark:

STRATEGIC GOAL #1: Expand pool services needed by members in a new era of risk management

STRATEGIC ACTION PLAN FOR GOAL #1:

1. Continue the goal of 10 percent increase in utilization of all existing services, year over year
2. Conduct service assessment planning to include:
 - Staff develop and distribute a service assessment survey to all members by February 15
 - Staff conduct data analysis and review of options by March 15
 - Staff determine and include external data gathering from the market by March 15
 - Member services committee meets to prioritize new service options by April 15
 - Create an implementation plan with responsible parties by May 15
3. Create a targeted communications strategy by May 15 to support the new services implementation plan
 - Identify individuals in member agencies with special interests (public works, finance, law enforcement, etc.) and target communication of services to meet their specific needs

Evaluation Using SMART Criteria

One way to test whether your pool can implement its strategic plan effectively is to evaluate each goal or objective using [SMART criteria](#). Ask whether each strategic goal is:

- **Specific:** Are strategic outcomes clearly identified in terms of what will be accomplished or achieved?
- **Measurable:** Can our pool determine appropriate metrics for each strategic goal and monitor appropriate data to measure progress over time? What measures will be monitored by staff, and which will be presented to the governing body? (Keep in mind that measuring activity is different than measuring accomplishment.)
- **Achievable:** Are strategic goals sufficiently aspirational but also reasonable to achieve? Does our pool have necessary resources (people, process and technology)? Is it prepared to make needed financial allocations to support its strategic goals?
- **Relevant:** Is there a clear tie between each strategic goal and the value or benefit it will provide? Can our pool link strategic goals to its core coverages and services as well as member relationships?
- **Time-Bound:** Is there a deadline or target date for each strategic goal to be completed?

Although SMART details may not be fully determined at the time of a strategic planning meeting, they are important to flesh out as your pool moves from planning to implementation. Of course, SMART is only one method of testing goals and achievements over time. As with all things strategic planning, your own pool's approach should be customized to its needs, culture and circumstances.

Changing Course

It takes a lot of effort and resources to engage in effective planning, determine goals and establish SMART objectives. So it's easy to understand how invested a pool can become in implementation, even when circumstances dramatically change. But every bit as important as following your pool's strategic plan is knowing when to stop or change course.

Even the most well-planned long-term strategic goals are subject to change based on outside influences or unforeseen developments. Your pool's strategic plan is a set of aspirations and guideposts, but it's not permanently defined. So, when there's a truly fundamental change that requires rethinking your pool's strategic plan, goals or implementation tactics, address it as soon as possible.

One way to prepare for such a possibility is to define implementation tripwires. Think about ways your pool might detect signals that a strategic planning goal is no longer appropriate. And consider what may be a warning sign that plan implementation itself is struggling and should be reviewed.

You might want to involve both staff and your pool's governing body in this process to identify tripwires. And it's a good idea to think specifically about

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ADDITIONAL RESOURCES

AGRiP's 2016–17 residency focused on **strategic foresight**, a tool which can lend important perspective to the strategic planning process. Read our [guide to strategic foresight](#) and the [report from our Strategic Foresight Futures Forum](#).

Several AGRiP webinars address governance functions that may relate to how your pool conducts strategic planning work:

[Conversations Every Pool Board Should Have](#)
[Moving to Generative Governance](#)
[Developing and Maintaining an Effective CEO/Board Partnership](#)
[Enterprise Risk Management for Pools](#)

Relevant AGRiP conference sessions from the last few years include:

[One Pool's Strategic Planning Story](#)
[Demystifying Generative Governance](#)
[Governing From the Future](#)
[Linking Strategy, Governance and Leadership Succession: The Role of the Board](#)

Further strategic planning resources (guides, tools, templates, publications, etc.) that may be useful to pools can be purchased via [BoardSource](#).

For a list of recommended consultants and facilitators familiar with public entity pooling or for help determining which resource(s) might be most useful, [contact AGRiP](#).

when, upon identifying the need to change course, the governing body would be notified or involved.

Engaging a Planning Consultant

Some pools manage strategic planning entirely in-house, but many engage an experienced, outside consultant to help guide the process, facilitate meetings and produce related deliverables. Using an outside resource helps ensure a pool considers new ways of thinking, moves planning along on a timely basis, and has appropriate skills available to meet planning needs. It also enables staff to fully participate in planning rather than facilitate.

Should you engage an outside consultant, the cost will be influenced by the reasons your pool is doing strategic planning work, the time you devote to the strategic planning process, and the final work product you expect. It might be best to set a target strategic planning budget and ask potential consultants the deliverables they can provide within that range.

You'll want to select a strategic planning consultant that is the best match for your pool's needs and culture and that complements your internal resources. One significant philosophical determination is whether you want the consultant to provide input along the way (including, potentially, through implementation) or simply facilitate your strategic planning meeting(s).

As you identify consultants and weigh fees, ask the following questions to determine the best fit (and don't be surprised if they ask similar questions in return):

- What are some approaches you typically use in strategic planning work?
- Based on our desired outcomes, what are your initial thoughts about how to approach our strategic planning?
- What facilitation techniques do you commonly use in a group setting? How do you balance input from everyone in the room?
- Based on our strategic planning goals, do you recommend any ancillary processes or work (e.g., stakeholder inputs, surveys, etc.)? How will these inputs be collected and managed?
- What timeline for our strategic planning engagement do you envision?
- What kind of work product will you produce to capture our planning process and/or guide us through implementation?
- Will you be available to us after planning work is complete if we have questions during the implementation process?
- What inputs or deliverables are we specifically responsible for or will we need to substantially contribute to?
- What are your specific qualifications for strategic planning and meeting facilitation? How many similar projects have you completed? (Be sure to ask about virtual meeting facilitation experience if that's what your pool needs.)
- How do you stay up to date in the area of strategic planning best practices, public entity risks, and other pooling and insurance topics?

Strategic planning can be daunting, but the process itself should not create anxiety—even as it helps you envision uncomfortable scenarios and stretches your existing assumptions.

By using the guidelines and resources presented, you can tailor your strategic planning to your pool’s culture, governance and history—and end up with a comfortable process that benefits your pool over the long term.

To share insights from your pool or learn more about any of the topics in this publication, [contact AGRiP](#).

About the Author



ANN GERGEN oversees operations, governance functions and member service delivery for the Association of Governmental Risk Pools. Ann routinely communicates and collaborates with the more than 200 pools that participate in AGRiP and their service providers.

Ann has 25 years of direct public sector experience in local government management, emergency services, risk management, primary and reinsurance claims, and pooled insurance services.

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The **ASSOCIATION OF GOVERNMENTAL RISK POOLS** is a multinational organization for public entity risk pools with over 200 members from the United States, Canada and Australia. By providing support in the fields of education, intelligence, advocacy, networking and best practices, AGRiP energizes the power of pooling, making member organizations more effective, collaborative and informed.

