

North Dakota  
University System

# Creating a University System for the 21st Century

**Strategic Plan**

**State Board of  
Higher Education**

*November 2005*

**NORTH DAKOTA**  
UNIVERSITY SYSTEM

**The Vital Link to a Brighter Future**

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**Vision Statement of the North Dakota University System**

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**“The North Dakota University System is  
the vital link to a brighter future”**

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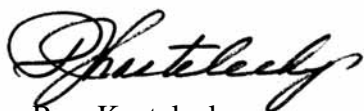
## Acknowledgements

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The State Board of Higher Education acknowledges and expresses its appreciation to the current and previous members of the Roundtable on Higher Education for their valuable contributions in helping define and reach consensus on a common vision, a clear set of expectations and the accountability measures for the University System. The vision and expectations provided by the Roundtable served as the foundation for this strategic plan.

The Board also expresses appreciation to the executive branch and to the members of the 2001 Legislative Assembly for enacting legislation relating to the University System which is based upon trust and the recommendations of the Roundtable. The Board acknowledges the private sector representatives who generously contribute their time and knowledge toward creating a University System which is future-focused and more closely aligned with the needs and opportunities of students and the economy of North Dakota.

The knowledge, experience and integrity of Dennis Jones and Charles Schwahn, as consultants to the Roundtable and to the development of this strategic plan, have been invaluable. We extend our appreciation to them. Lastly, and equally as important, we extend our gratitude to the campus presidents, students, faculty and staff who became directly involved in, or provided recommendations to, the Roundtable and to the Board for inclusion in this strategic plan. With appreciation:



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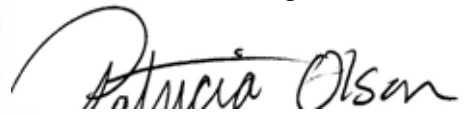
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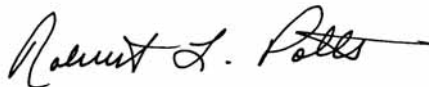
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## Foundation for the NDUS Strategic Plan

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In the mid-1990s, many stakeholders had opinions about what higher education should be and do for the state of North Dakota. Unfortunately, those views were not in sync. There was no common vision, a clear set of expectations, or agreed-upon accountability measures.

As a result, the number one priority expressed by the college and university system presidents at the chancellor's cabinet retreat in 1998 was the need for a "common vision" and a clear set of expectations for higher education in North Dakota. There was also agreement that the major stakeholders of higher education needed to be involved in that process. It was concluded the model used to design and develop a new workforce training system could be used in developing a common vision and agreed-upon expectations for the University System. The key stakeholders, particularly the private sector, were directly involved in the process. The North Dakota State Board of Higher Education (SBHE) concurred with the conclusions expressed by the presidents.

The legislative leadership also came to the same conclusion; a common vision and clear set of expectations for higher education in North Dakota were needed. Subsequently, the 1999 North Dakota Legislative Assembly passed a resolution directing a study to: *"... address the expectations of the North Dakota University System in meeting the state's needs in the 21<sup>st</sup> century, the funding methodology needed to meet these expectations and needs, and an accountability system and reporting methodology for the University System."*

Twenty-one legislators were selected to be members of an interim Committee on Higher Education. This group was expanded to 61 to provide for stakeholder input and included 40 leaders from the private sector, higher education, tribal colleges, K-12 education and other state agencies, becoming what is known as the Roundtable on Higher Education.

In addition to developing clear expectations for the University System, as well as for the key stakeholders of higher education, the Roundtable was also asked to identify and agree upon a reasonable number of accountability measures for the University System to replace the extensive, and often conflicting, accountability measures being applied. The expectations and the corresponding accountability measures are included in the report of the roundtable.

Implementation of the goal and recommendations of the roundtable is now a top priority for the SBHE, the 11 campuses and the University System Office. The strategic plan for the University System is directly linked to the roundtable plan. In turn, the campuses each develop campus alignment plans annually which are specifically designed to meet the expectations and the accountability measures expressed within each of the six cornerstones of the Roundtable Report.

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## Drawn by a Vision

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A well-designed and properly implemented strategic plan allows an organization to be “*drawn by a vision rather than driven by a budget.*” In that regard, it should be emphasized that the process of strategic planning is as important as the finished product.

The process used to develop the vision, mission and goals of the North Dakota University System’s strategic plan is described in the report, “*A North Dakota University System for the 21<sup>st</sup> Century, The Report of the Roundtable.*” A summary of that process is included in this plan.

There are several companion documents and tools which, when taken collectively, are useful in transforming the vision and mission of an organization into reality. Those documents and tools include:

- A. **Strategic Plan.** A strategic plan, in addition to the mission, core values, etc., includes the long-range goals of an organization. A strategic plan may also include the projected resource requirements for achieving the mission and goals.
- B. **Annual Operating Plan.** An important companion document to the strategic plan is the annual operating plan which serves to convert the strategic plan into short-range specific achievable results. The purpose of an annual operating plan is to “carve out” and implement the portion of the strategic plan to be accomplished during the coming year. Specifically, it includes objectives for the year which, when completed, will help achieve the long-range goals of the organization.
- C. **Action Plans.** Once the objectives for the year are determined, action plans for achieving each objective can be developed. Action plans describe the selected action steps/strategies for accomplishing each objective. Action plans represent a major sub-part of the annual operating plan and typically include: the annual objectives; tasks or action steps for each objective; timelines for initiating and completing each task; success indicators or accountability measures; and the person or entity responsible for accomplishing each objective and action step. Action plans often include the finance and human resource requirements necessary for successful completion of the respective objectives. In addition to helping “operationalize” the strategic plan, action plans can be used to chart and monitor progress toward achieving each of the annual objectives.
- D. **Accountability Measures.** The final major component of a strategic plan is the accountability measuring system. Accountability measures are data points which when viewed over time allow an organization to determine if progress is being made toward the desired long-term goals and objectives of the organization. Accountability measures which are strategically linked to the long-term goals enable governing boards and policy-makers to assess the performance and effectiveness of the overall organization and the various divisions or entities within the organization. Ideal data points are “ends-driven” (rather than intermediary data points). However, it is not uncommon for an organization to include “sub-measures” (sub-elements to a larger or more encompassing measure) which provide additional insight to an area being measured and which also allow an evaluation of the means or processes being used.

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## Table of Contents

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### Strategic Plan

Vision Statement of the North Dakota University System .....	i
Acknowledgements .....	ii
Foundation for the NDUS Strategic Plan .....	iii
Drawn by a Vision .....	iv
Table of Contents.....	v
I. Taking Action .....	1
II. Process Used .....	2
III. Results of External and Internal Environmental Scanning.....	2
A Look into the Future.....	3
IV. Expansion of Mission .....	4
V. Vision .....	5
VI. Mission.....	5
VII. Beliefs and Core Values of the NDUS .....	6
Beliefs of North Dakota University System .....	6
Core Values of North Dakota University System.....	7
VIII. Long-Range Goals of SBHE .....	8
IX. Accountability Measures .....	9
X. Long-Term Finance Plan .....	13
<b>Appendix</b> .....	15
Definitions and Considerations for Developing Vision and Mission Statements and Strategic Plans.....	17
I. Background.....	17
II. Purpose.....	17
III. Overview of Strategic Planning.....	17
IV. Conclusions from Literature Review.....	19
V. Other Considerations .....	22
VI. References.....	23

**North Dakota University System  
STRATEGIC PLAN  
Revised November 2005**

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**"The North Dakota University System is  
the vital link to a brighter future."**  
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**I. Taking Action**

The State Board of Higher Education (SBHE), the Chancellor’s Cabinet, and North Dakota legislative leadership all recognized the need to involve major stakeholders of higher education in the strategic planning process of the North Dakota University System (NDUS). The critical step in acting on that recognition was a resolution passed by the 1999 Legislative Assembly directing a study of higher education and specifically recommending the involvement of the governor, the SBHE, the executive branch, NDUS campuses, tribal and private colleges, and representatives of business and industry. The result was the formation of the 61-member roundtable.

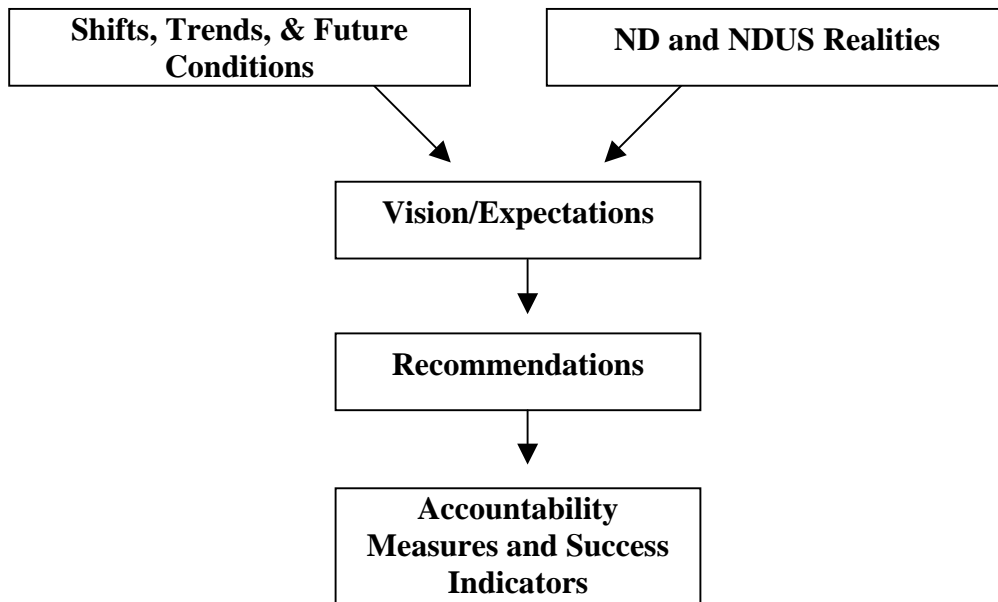
In July 2000, the SBHE adopted the expectations and recommendations of the roundtable and moved aggressively toward implementation. The overall goal and cornerstones developed by the roundtable upon which the North Dakota University System for the 21<sup>st</sup> century should be built, provide the foundation for the University System’s strategic plan.

The SBHE realizes a successful strategic plan for any organization is contingent upon the meaningful and continued involvement of the major stakeholders. Such involvement is essential for reaching understanding, building trust and obtaining “buy-in” on the goals and objectives of the plan.

It is the intent of the SBHE to continue the involvement of the major stakeholders of higher education in reviewing, evaluating and updating the strategic plan for the NDUS through an ongoing process similar to the 1999-2000 roundtable. By doing so, we believe we can build a university system for North Dakota as envisioned and articulated by members of the roundtable and described in the Roundtable report, i.e., a university system that meets the rapidly changing needs and opportunities of students and the state, is entrepreneurial in its thinking and action, and where responsible risk-taking and failure are expected and accepted.

## II. Process Used

The process used in providing information and guiding discussion by the roundtable (therefore, this strategic plan) consisted of five components: (1) shifts, trends and future conditions, (2) North Dakota and NDUS realities, (3) identification of vision/expectations, (4) recommendations, and (5) accountability measures and success indicators.



## III. Results of External and Internal Environmental Scanning

Several sources of information were used by the roundtable to assess the external and internal environments in which the University System is functioning and will continue to function in the 21<sup>st</sup> century. Those sources include:

- *Future Conditions and Trends that will Impact North Dakota and the University System*, a report by consultant Charles Schwahn.
- *North Dakota Realities*, a report by consultant Dennis Jones.
- Assumptions about North Dakota and the role of the NDUS provided through annual roundtable discussion sessions.
- Major themes and expectations developed by the six task forces based on their views of the future of North Dakota and the role of the University System in serving the needs of students and the citizens of the state.
- Views provided by faculty, staff and students through various University System councils; campus organizations; faculty and student SBHE representatives, and a listserv.
- Direct input from constituent groups and the public provided to the task forces.

A summary of the results of the external and internal environmental scanning described above is presented in the Roundtable Report in the section titled, “The Look Into the Future.” That section reads:

### **A Look Into the Future**

The task assigned to the roundtable was future-oriented – it was to address the expectations of the NDUS in meeting the state’s needs in the coming century. In fulfillment of that charge, the members reviewed global trends which are shaping the environment in which North Dakotans must increasingly live and compete, an environment characterized by rapid change, the ever-present and vastness of information technology and its power to eliminate barriers of time and distance, and the fact that these forces create conditions in which competence is capital and knowledge is power. They also reviewed trends specific to North Dakota, trends that at the very least are disquieting. They looked into the future and saw a state that, in the absence of overt action, would continue to:

- Lose population, especially young people and adults in the prime working years of their lives.
- Fall further and further behind the rest of the country in per capita income, threatening the ability of its citizens to maintain their quality of life.
- Be unable to compete in the new information-based economy.

These leaders refused to accept this view of the state’s future as inevitable. They are firm in their belief that North Dakota and its citizens deserve better. They quickly came to a consensus; bold steps were needed to change the downward trajectory of the state – steps that must be pursued with the **utmost urgency**. There was also agreement that the longer the current trends continue, the more difficult it will be to reverse them.

Out of this consensus arose the roundtable’s expectations for the North Dakota University System – the NDUS would focus its considerable assets and talents on:

- Promoting expansion and diversification of the state’s economy.
- Enhancing the quality of life of the citizens of the state.

Their broad expectation is the NDUS (as a **system**, not as a collection of campuses) will become the prototype land-grant institution of the 21<sup>st</sup> century, and it will be:

- Academically competitive, nationally and internationally.
- Engaged at every level with the needs and problems of the state and its citizens.
- Accessible and responsive to all citizens of the state, both individual and corporate.

Their vision for the NDUS is, in 10 years, it will have created a win-win strategic alliance with the economic entities in the state and is a major player and primary engine in reversing the economic and demographic trends of the 1990s; it will have high quality, innovative learning opportunities, tailored to the needs of individual clients, readily accessible to all adult learners in the state; and it will have proven to be a solid investment for the state and is seen as such by its citizens.

This is a lofty vision, but one uniformly viewed by members of the roundtable as both attainable and absolutely essential to the future of the state.

#### **IV. Expansion of Mission**

The major impact of the roundtable is reflected in the change in the NDUS mission statement. Previously, the NDUS had a somewhat narrow mission statement which focused on meeting the educational needs of traditional students on campus. The roundtable recommended the NDUS broaden its mission to include enhancing the economic and social vitality of North Dakota.

The roundtable also provided the basis for establishing a vision statement which captures and articulates the vital role the NDUS will need to play in creating a brighter future for the state and for all those it serves.

## **V. Vision**

*“The North Dakota University System is the vital link to a brighter future.”*

### **A brighter future for:**

- *Our students*
- *The citizens of North Dakota*
- *All those we serve*

### **A brighter future through:**

- *A University System where students have the opportunity to receive the education necessary to be professionally and personally successful;*
- *High quality, innovative learning opportunities tailored to the needs of students and other clients and readily accessible to all learners in the state;*
- *The creation of strategic alliances with economic entities in the state and being a major player and primary engine in impacting the economic and demographic trends;*
- *A University System which is a solid investment for the state and is seen as such by its citizens.*

## **VI. Mission**

*“To enhance the quality of life for all those we serve and the economic and social vitality of North Dakota through the discovery, sharing and application of knowledge.”*

## VII. Beliefs and Core Values of the NDUS

In fulfilling the vision and mission, the State Board of Higher Education will govern the institutions in the North Dakota University System in accordance with the North Dakota Constitution and state statutes and will be guided by the following beliefs and core values.

### **Beliefs of North Dakota University System:**

- **We believe** the most valuable asset of any state is its human capital: well-educated and highly skilled citizens, employees, business owners, community leaders, and contributing members of society.
- **We believe** a brighter future for North Dakota is directly linked to and dependent upon its University System. Likewise, a brighter future for the University System is linked to the economy of North Dakota.
- **We believe** the University System, in conjunction with the elected and private sector leadership in North Dakota, can and should take positive steps to enhance the economy of North Dakota.
- **We believe** depopulation is a major threat to the overall viability of North Dakota and if not addressed, with urgency, the infrastructure, quality of life, and services available to the citizens of the state will diminish.
- **We believe** the faculty are the foundation of the North Dakota University System.
- **We believe** performance of the University System will be enhanced in an environment which is conducive to innovation, creativity, and flexibility – coupled with appropriate accountability.
- **We believe** in the implementation of education programs and curriculums to meet the needs of a culturally diverse student population and to prepare students to interact in an increasing pluralistic society.
- **We believe** the citizens and the legislature created and expect the University System to function as a system; i.e., to collaborate, whenever appropriate and feasible, in offering programs, serving students and citizens, and in providing administrative services.
- **We believe** the benefits of the University System can and should be available to all of North Dakota, geographically and demographically.

- **We believe** it is important for all the key stakeholders of the University System to adopt and apply the same set of expectations and accountability measures which were identified and agreed to by the 1999 Roundtable on Higher Education.
- **We believe** it is possible to create a University System for the 21<sup>st</sup> century, as envisioned by the 1999 Roundtable on Higher Education and further believe making it a reality will require all entities to do their part as described in the *Roundtable Report*.

### **Core Values of North Dakota University System:**

The core values are to be reflected in how the SBHE and all personnel of the University System carry out responsibilities on a daily basis:

- High integrity
- Open, honest, forthright and mutually respectful in discussion and actions
- Trustworthy
- Accountable
- Cooperative valued partner with other state agencies and entities
- Responsible stewards of state investment in the University System
- Scholarship and the pursuit of excellence in the discovery, sharing, and application of knowledge
- Support and embrace diversity

## **VIII. Long-Range Goals of the SBHE**

- Goal 1:** Continue to be a national leader and a model for other states in effectively utilizing the power and potential of a University System to enhance the economic and social vitality of the state.
- Goal 2:** Achieve the vision of the Roundtable on Higher Education in creating a university system for the 21st century – a system that is: academically competitive nationally and internationally; engaged at every level with the needs of the state and its citizens; accessible and responsive to all citizens of the state, both individual and corporate; and proves to be a solid investment for the state and is seen as such by its citizens.
- Goal 3:** Create an environment, based on mutual trust, within the University System and in cooperation with the key stakeholders of higher education that embraces a common vision, a clear set of expectations and agreed-upon accountability measures that are mutually developed and supported by the University System and its stakeholders.

## **IX. Accountability Measures**

### **A. Origin of NDUS Accountability Measures**

The 1999 North Dakota Legislative Assembly passed a resolution directing a study to be conducted which would:

*“...address the expectations of the North Dakota University System in meeting the state’s needs in the twenty-first century, the funding methodology needed to meet these expectations and needs, and an accountability system and reporting methodology for the University System.”*

The Roundtable on Higher Education was formed and accepted the task of identifying and agreeing upon a set of accountability measures for the University System to replace the extensive and often conflicting measures being applied. Specifically, the Roundtable recommended (See page 61 of the Report of the Roundtable):

*“Developing consensus on the key accountability measures to be used in evaluating progress of the NDUS toward the high priority expectations. It is the intent these accountability measures, as agreed upon, replace the accountability factors and expectations being developed independently by various entities.”*

An initial set of potential accountability measures (financial and non-financial) were developed for each of the six cornerstones and are presented in the Report of the Roundtable. These measures represent those factors the stakeholders said they were interested in having tracked. The 84 potential measures agreed upon are summarized on pages 67 to 70 of the report. The proposed financial and non-financial measures were refined and consolidated into 34 measures by the Subcommittee on Accountability Measures and the six task forces (the task forces formed as part of the roundtable process and assigned to each cornerstone). The 34 measures were included in the appropriations bill for the University System for consideration by the 2001 Legislative Assembly.

With assistance from the Legislative Council, the Senate and House Appropriations Committees, reviewed the 34 proposed measures and further refined and consolidated them into 25 measures that then were enacted during the 2001 Legislative Session.

The State Board of Higher Education adopted 12 additional measures considered important to the board and useful to the campuses bringing the total number of accountability measures to be reported on to 37.

### **B. Review of Accountability Measures**

At its June 15, 2004 meeting, the Roundtable adopted 13 “basic assumptions and potential legislative action items,” two of which relate to the accountability measures: (1) *“Review the higher education accountability measures and change as needed,”* and (2) *“Continue to use the agreed-upon accountability measures in place of different or additional accountability measures for the University System.”*

In response to the action item which states, “*Review the higher education accountability measures and change as needed.*” Senator Ray Holmberg, Roundtable Chairman, proposed a matrix of the accountability measures to be developed and used to identify those measures suggested to be: (1) retained, (2) revised, (3) deleted, or (4) added. The matrix was used by the University System to review the measures and recommend changes. The proposed revisions then were reviewed with the private sector representative on the Roundtable.

### **C. Legislative Action and Current Measures**

The proposed revisions to the accountability measures were included in the appropriations bill for the University System for consideration by the 2005 North Dakota Legislative Assembly. The Legislative Assembly adopted the proposed revisions, which included deleting four measures, combining two measures and adding two new measures. The net result is a decrease from 25 to 22 legislatively-mandated measures.

The State Board of Higher Education also reviewed the board-required measures and, through deletions and consolidations, reduced the number of board-required measures from 12 to nine. The net result of the legislative action and SBHE action is a reduction from 37 to 31 accountability measures currently in effect and linked to specific cornerstones. The accountability measures in effect as of July 1, 2005, are presented in the following table titled, “Accountability Measures for the NDUS.”

## Accountability Measures for the NDUS

*Effective July 1, 2005*

Ident- ifier <sup>1</sup>	Title of Accountability Measure	Legislatively - Mandated <sup>2</sup>	SBHE- required <sup>3</sup>
<b>Cornerstone 1: Economic Development Connection</b>			
ED1	Enrollment in entrepreneurship courses and the number of graduates of entrepreneurship programs	Legis 2.a.	
ED2	Percentage of University System graduates obtaining employment appropriate to their education in the state	Legis 2.b.	
ED3	Number of businesses and employees in the region receiving training	Legis. 2.c.	
ED4	Research expenditures in proportion to the amount of revenue generated by research activity and funding received for research activity	Legis 5.d.	
ED5	Workforce training information, including levels of satisfaction with training events as reflected in information systematically gathered from employers and employees receiving training		SBHE-1
<b>Cornerstone 2: Education Excellence</b>			
EE1	Student performance on nationally recognized exams in their major fields compared to the national averages	Legis 1.a.	
EE2	First-Time Licensure Pass Rates compared to other states	Legis 1.b.	
EE3	Alumni-reported satisfaction with preparation in selected major, acquisition of specific skills, and technology knowledge and abilities	Legis 1.c.	
EE4	Student-reported satisfaction with preparation in selected major, acquisition of specific skills, and technology knowledge and abilities	Legis 1.c.	
EE5	Employer-reported satisfaction with preparation of recently hired graduates	Legis 1.d.	
EE6	Student graduation and retention rates	Legis 1.f.	
EE7	Non-completers satisfaction – levels of satisfaction and reasons for non-completion as reflected in a survey of individuals who have not completed their program or degree		SBHE-2
EE8	Student goals – levels and trends in the number of students achieving goals – institution meeting the defined needs/goals as expressed by students		SBHE-3
<b>Cornerstone 3: Flexible and Responsive System</b>			
FRS1	Biennial report on employee satisfaction relating to the university system and local institutions	Legis 1.e.	
FRS2	Levels of satisfaction with responsiveness, as reflected through responses to evaluations of companies receiving training (combined 1.c., 1.d., and 7.e.)		SBHE-4
<b>Cornerstone 4: Accessible System</b>			
AS1	Number and proportion of enrollments in courses offered by non-traditional methods	Legis 3.a.	
AS2	Tuition and fees on a per-student basis compared to the regional average	Legis 4.a.	
AS3	Tuition and Fees as a percentage of median North Dakota Household Income	Legis 4.b.	

Identifier <sup>1</sup>	Title of Accountability Measure	Legislatively - Mandated <sup>2</sup>	SBHE-required <sup>3</sup>
AS4	Student enrollment information, including: (a) Total number and trends in full-time, part-time, degree-seeking and non-degree-seeking students being served and (b) The number and trends of individuals, organization, and agencies served through noncredit activities		SBHE-5
AS5	Student participation-levels and trends in rates of participation of (a) Recent high school graduates and nontraditional students, and (b) Individuals pursuing graduate degrees		SBHE-6

<b>Cornerstone 5: Funding and Rewards</b>			
FR1	Cost per student in terms of general fund appropriations and total University System funding	Legis 4.c.	
FR2	Cost per student and percentage distribution by major function (combined 4.d., 5.a., 6.e., and 5.b. from 2004 report)	Legis 5.a.	
FR3	Per Capita General Fund Appropriations for Higher Education	Legis 4.d.	
FR4	State General Fund Appropriation levels for University System institutions compared to peer institutions' general fund appropriation levels.	Legis 4.e.	
FR5	Ratio measuring the funding derived from operating and contributed income compared to total University System funding	Legis 5.b.	
FR6	Ratio measuring the amount of expendable net assets as compared to the amount of long-term debt	Legis 5.c.	
FR7	Ratio measuring the amount of expendable fund balances divided by total expenditures and mandatory transfers	Legis 5.e.	
FR8	Ratio measuring net total revenues divided by total current revenues	Legis 5.f.	
FR9	Higher education financing- a status report on higher education financing as compared to the Long-Term Finance Plan		SBHE-7
FR10	Ratio of incentive funding to total NDUS state general fund appropriations		SBHE-8
FR11	Ratio of NDUS state general fund appropriation levels to total state general fund appropriations		SBHE-9
	<b>Subtotals</b>	<b>22</b>	<b>9</b>
	<b>GRAND TOTAL</b>	<b>31</b>	

<sup>1</sup>Identifiers: ED refers to Economic Development Connection Cornerstone, EE refers to Education Excellence Cornerstone, FRS refers to Flexible and Responsive System Cornerstone, AS refers to Accessible System Cornerstone and, FR refers to Funding and Rewards Cornerstone.

<sup>2</sup>Legislatively-mandated refers to legislatively-mandated accountability measures as revised and enacted by the 2005 Legislative Assembly, in Section 20 of SB-2003. The number and letter for each measure in this column correspond to the listing of the respective accountability measures in SB-2003.

<sup>3</sup>SBHE-required refers to required accountability measures as revised and adopted by the SBHE on November 18, 2004.

## **X. Long-Term Finance Plan**

The Long-Term Finance Plan is currently under review and will be added to the Strategic Plan when completed.

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## Appendix

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# Definitions and Considerations for Developing Vision and Mission Statements and Strategic Plans<sup>1</sup>

## I. Background

There is considerable information available on the topic of strategic planning. There is, however, also considerable variation in the key components included in a strategic plan and the definitions used. Part of the variation can be explained by the ever-evolving nature of this field of study and the dynamics of modern-day, high-performance organizations.

When the concept of strategic planning emerged in the early 1950s and began replacing long-range planning as a planning tool, increased emphasis was placed on the process involved in planning, but the concept still focused primarily on four major components: (1) external and internal assessment of challenges and opportunities, (2) goals, (3) objectives, and (4) time-lines. Components such as mission and vision were not part of strategic planning until decades later.

Over time, the components of mission, vision, core values, benchmarks and success indicators, each made their way into the strategic planning process and guidelines. These additional components and the absence of a consistent set of definitions for each have caused confusion for those attempting to stay abreast of and adopt high performance leadership and management tools for their organizations.

## II. Purpose

The purpose of this document is to provide information for use by the State Board of Higher Education for developing a vision statement, mission statement, and other key components of a strategic plan for the North Dakota University System. An additional purpose is to develop consistency among the campuses and the board regarding plan components and definition of terms used in this document and the related campus alignment plans.

## III. Overview of Strategic Planning

Joel Lapin, consultant and nationally recognized authority on strategic planning, recently conducted a review of literature on this topic. This section provides highlights from that review and from the strategic planning materials developed by Mr. Lapin.

When you ask, *what* are we going to do, you are talking about a strategic plan.

When you ask, *when and how* are we going to do it, you are talking about an operations plan – which includes the details in achieving the goals of the strategic plan.

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<sup>1</sup> Dunn, Eddie V., Vice Chancellor for Strategic Planning, North Dakota University System, Fargo, North Dakota, January 1, 2001.

Strategic planning is an outside-in approach that answers the question: *What do we do?*

The development of a strategic plan is the responsibility of the leadership of an organization and is more externally driven, as opposed to the development of an operational plan, which has greater participation at all levels and is more internally driven.

The purpose of external environmental scanning and forecasting is to enable an organization to develop and use a set of external trends to anchor a strategic plan.

**Characteristics of a strategic plan:**

- Systematic and on-going
- Anticipate and respond
- 3 - 5 years beyond present
- Focuses on external environment
- Deals with big issues
- Spans organizational boundaries
- Deals with uncertainty
- Values expert judgment

Operational planning is an inside-out approach that answers the question: *How and when do we do it.*

**Characteristics of an operational plan:**

- 1-2 year time frame
- Internally focused
- Determined by strategic plan
- Deals with micro issues
- Tied to organizational units
- Tied to budget/spending
- Relatively certain
- Highly participatory

## IV. Conclusions from Literature Review

### A. Components of a Strategic Plan

The key components of a modern-day strategic plan typically include:

1. Vision statement
2. Mission statement
3. Core/shared values
4. Long-range goals

A scan of the environment in which the enterprise operates precedes and provides the foundation for the above four components of a strategic plan.

### B. Components of an Action Plan

The implementation of a strategic plan is accomplished through action plans (also referred to as work plans or annual operational plans). Action plans include the details for achieving the long-range goals.

**Action plans typically include:**

1. Annual or short-range objectives
2. Tasks or action steps for achieving each objective
3. Timelines for initiating and completing each task
4. Measures of success (major accomplishments, success indicators or accountability measures)
5. Responsibility assignments
6. Tasks linked to budget/spending

### C. Description of Key Components

Following is a summary of the definitions and descriptions of the key components of a strategic plan. The source for each description is identified by the corresponding name in the reference section of this report.

#### 1. Mission vs. Vision

The terms mission and vision are often used interchangeably while, in reality, the terms represent distinctly different concepts. Vision is about potential and the possibilities; i.e., the outer limits of what can be imagined and achieved. It is a combination of what is possible coupled with the organization's expressed level of desire to achieve it. (Dunn)

Mission, conversely, is about focus and defining. It is about defining the business the organization is in, and the purpose and market to be served. A clear indication of the narrower focused meaning of the term "mission" is reflected in the often used phrase, "*on a mission.*" A helpful way to distinguish between the two terms might be: *vision is what you dream about, whereas, mission is what you get about.* (Dunn)

## **2. Mission**

A mission is the ultimate purpose of your organization. The reason you exist. A clear concise statement of the business you are in. (Schwahn)

A mission statement is a general statement of the fundamental purposes of an organization and is the foundation for developing the organization's goals and objectives. A mission statement answers the following four questions: (1) who are we? (2) what do we do? (3) for whom do we do it? and (4) why do we do it? (Lapin)

A mission statement should include three components. It should define and distinguish: (1) the business the organization is in (higher education, banking, air transportation, etc.), (2) what it is the organization intends to do (the product or service to be provided) and (3) the market to be served (for whom). (Dunn)

A mission statement (in relation to a vision statement) provides the more immediate purpose and focus for an organization. (Dunn)

## **3. Vision**

A vision is what will you look like when you are at your very best. (Schwahn)

To be an effective vision, the vision statement must be:

Describable – clear, concrete, easy to communicate

Direction setting for individuals and the organization's future

Desirable – excite and enthuse

Doable – but not without risk

A vision must be inspirational (Schwahn)

A vision is a concrete description, in present tense terms, of what your organization will look like, function like, and be doing when it is operating at its ideal best. (Schwahn)

A vision is a realistic, credible, attractive future for an organization. Visions are about possibilities, about desired futures. Simply, a vision is an ideal and unique image of the future. (Lapin)

A vision is a mental image or concept of a desired outcome to be achieved; a picture of what the team, organization, business or enterprise should accomplish. A vision statement helps others imagine the accomplishment of the organization. (Albrecht)

A vision statement (in relation to a mission statement) provides the longer-term vision of what the organization intends to achieve. (Dunn)

A vision statement should include two components. It should define and articulate: (1) what is envisioned as being possible within the scope of the business the organization is in (the business as defined in the mission statement), coupled with (2) the organization's expressed level of desire to achieve it; i.e., the intended level of performance/achievement. (Dunn)

#### **4. Goals**

A goal is a broad statement that describes ultimate ends and achievements for an organization and provides a general focus for organizational action. (Lapin)

A goal is an achievement, consistent with the organization's values, mission, and/or vision, toward which effort and resources are directed. Goals are usually general statements of direction and not measurable. (Schwahn)

A goal is the desired result which serves to provide focus for the organization's resources and capabilities. Goals provide the guiding direction for the team's efforts. Objectives are the intermediate targets (sub-parts) for the respective goals. (Dunn)

#### **5. Objectives**

Objectives are specific in nature and consist of the following elements:

1. Identify what will be accomplished
2. When it will be accomplished
3. How accomplishments will be measured (Lapin)

At some point in time, it can be stated that the objective has been completed and there is specific evidence of its accomplishment – a quantifiable or concrete measure of completion.

Objectives are specific results to be achieved in reaching the overall goal. An objective has a very specific, well-defined result and a deadline for achieving it. For a statement to be an objective, it must satisfy the following criteria: **Specific, Measurable, Action-oriented, Realistic, and Time-targeted (SMART)**. (Dunn with original source unknown)

Objectives are the specific action-oriented steps by which a goal is achieved. Objectives are specific and measurable. (Schwahn)

#### **6. Core Values**

Core values are those values that are widely understood, publicly endorsed and consistently acted upon by the organization and each of its members. (Schwahn)

Core values are the few critically important values used to guide the organization in accomplishing its mission. The basic beliefs which guide a leader's actions; the things a leader and team members regard as important and worthwhile in connection with a particular enterprise. (Albrecht)

## **7. Action Plan**

An action plan is a brief, specific, written plan for accomplishing the organization's goals. It contains a list of definite tasks to be completed to accomplish the goals and objectives and a timetable for accomplishing each task. The action plan includes the specific responsibilities assigned to team members. (Albrecht)

## **8. Strategy**

A strategy is the most effective plan or method, within the constraints of dedicated resources, for achieving the organization's goals and vision. (Schwahn)

## **9. Accountability Measures**

Accountability measures are data points which when viewed over time allow an organization to determine if progress is being made toward the desired long-term goals and objectives of the organization. Accountability measures which are strategically linked to the long-term goals enable governing boards and policy-makers to assess the performance and effectiveness of the overall organization and the various divisions or entities within the organization. Ideal data points are "ends-driven" (rather than intermediary data points). However, it is not uncommon for an organization to include "sub-measures" (sub-elements to a larger or more encompassing measure) which provide additional insight to an area being measured and which also allow an evaluation of the means or processes being used (Dunn).

## **V. Other Considerations**

This report focuses on the content portion of strategic planning (definitions and descriptions). It does not address the process portion. However, it is recognized that process is equally as important as content in preparing a strategic plan.

### **Truism**

In addition to satisfying the desired characteristics of a mission statement (giving clear direction and focus for an organization) there is also a truism for this important leadership tool: If the members or employees at all levels of an organization cannot articulate the mission, the organization, the result is the same as not having one. This truism suggests in addition to being meaningful, a mission statement should also be concise, memorable and evident.

### **Parallel Process**

It is common for organizations to attempt to develop their vision statement before developing their mission statement; i.e., to develop the larger, long-term picture before developing the more immediate picture. In practice, it is difficult and inefficient to develop the vision initially since the mission provides an important component and the context (the mission defines the business the organization is in) for the vision. Rather than develop the two statements separately or sequentially, strategic planning practitioners are finding it more efficient and practical to develop the mission and vision statements in parallel. This is achieved by developing preliminary (or working) mission and vision statements and refining each as necessary until both are finalized. This approach differs sharply from earlier

approaches whereby organizations would focus on one statement, including wordsmithing it to perfection, before turning attention to the other – only to find the first is now no longer perfect. The result is the refinement and wordsmithing would then start all over or, even less desirable, would not start over at all because of the already extensive investment of time and energy.

### **Timespan**

Another change which has taken place in recent years is the time span allowed for developing meaningful mission and vision statements. It is becoming more common to develop mission and vision statements over weeks or months rather than a day or two during the organization's annual retreat. Annual retreats are sufficient for developing annual plans of work (or operational plans for the year). They may not be sufficient for developing meaningful mission and vision statements for an organization.

### **Key Message**

An additional factor which is finding its way into the strategic planning process is an increased emphasis on the desired message to be conveyed (the key message, tagline, slogan, brand or market-differentiating factor). As a result, it is becoming increasingly common for a portion of the strategic planning process to be devoted to defining the desired message and then making sure the mission and vision statements are connected to, and support, this message. Doing so increases the integrity of the key message. For example, the key message the State Board of Higher Education wanted to convey internally and externally is: "The North Dakota University System is the vital link to a brighter future." This key message was not only incorporated into, but became, the vision statement.

### **Defining the Terms**

It is recognized that some authors reverse the definitions for goals and objectives; i.e., define an objective as the overall desired result and define goals as the targets or sub-parts of the objective. The terms presented in this report reflect the more broadly used and accepted definitions and practices; i.e., a goal is defined as the overall desired result and objectives are defined as the measurable targets or sub-parts of a goal.

## **VI. References**

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