



Action Planning Methodology

Guide for Participants Attending Toronto Centre Leadership Programs

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A. ASSESS THE PROBLEM

1. Analyze the situation

- Identify the challenge
- Consider relevant macro factors: e.g. social, political, macroeconomic
- Consider relevant micro factor: e.g. governance, financial situation, market position of weak financial institutions in the system
- Determine your agency's state of preparedness: procedures, powers and people
- Establish the timing, importance and urgency of dealing with the situation
- Determine who is affected by the problem
- Check perceptions: how is the problem being perceived by relevant players
- Gather relevant information

2. Identify the causes of the problem

3. Evaluate risks and benefits

⇒ State the challenge precisely

B. DEVELOP A SOLUTION

1. Identify a preferred outcome (WHERE)

- Formulate your goal
- Identify options to achieve goal and select one

2. Outline the plan (WHAT)

- List the main steps in your plan
- Identify potential barriers and enablers

3. Analyze stakeholders (WHO)

- Classify stakeholders according to their power over your plan
- Identify the needs and interests of the key stakeholders
- Establish whether and how your plan meets stakeholder's needs and interests
- Choose a communication /persuasion/ negotiation strategy for each group of stakeholders

4. Detail the plan (HOW)

- Detail activities for each individual step in your outline
- Determine resources needed for each action
- Define the timing and preconditions for each action
- Identify the critical path

5. Evaluate the plan (WHETHER)

- Consider whether the plan will achieve the desired goal in time

- Determine whether the needed resources are available
- Identify the implementation risks

6. Prepare a contingency plan (WHAT IF)

⇒ Document the plan clearly and completely

C. IMPLEMENT THE PLAN

1. Confirm project mandate

- Ensure Executive approval of project plan (objectives, work plan, time-line, budget, human resources skills required, measures of success)
- Confirm member of Executive as project sponsor
- Announce project to key stakeholders

2. Organize the core implementation team

- Secure the required human resources
- Communicate the project plan, including vision and urgency
- Document and communicate individual team member responsibilities, and goal commitments

- Set up a communication system / process

3. Gather the necessary physical resources

- IT, facilities, administrative support

4. Establish project governance

- Establish a steering committee with terms of reference
- Formalize nature and frequency of progress reporting to Executive
- Establish a formal communication program to key stakeholders
- Set up a project management system to track the project's critical path, human resource utilization and overall project costs

5. Monitor the achievement of results

- Are project milestones and individual team member goal commitments being achieved in a quality manner
- Are deviations from the plan, problems and surprises being dealt with effectively and on a timely basis
- Is the steering committee functioning optimally
- Is the Executive sponsor being kept fully informed of the projects progress

⇒ Monitor closely, and adjust as required

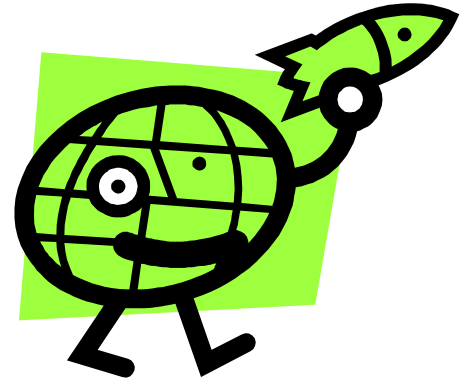
INTRODUCTION

We all plan: tomorrow's shopping, next summer's vacation, our careers, our lives. Methodically or intuitively, with different degrees of minutia (even none sometimes!), people plan their approaches to deal with life's big and small challenges. Some are obsessive, needing to have everything organized in advance, while others jump into action without thinking through where they want to go. Some people spend their lives planning and never doing anything. And sometimes we must make plans, and hope they will never have to be executed.

Not every activity requires a plan and, certainly, if you don't know where you want to go, you cannot plan. Nonetheless, in most cases, planning makes activities efficient (you won't go to the same store twice, for instance, if you have thought about what you need beforehand); diminishes risks (you will stay in the hotel of your choosing, as an example, rather than ending up in one far out of town); and improves the chances of achieving your goals.

The Toronto Centre has developed a planning methodology that starts with you identifying a problem or challenge that you are currently facing but are unsure how to approach. We show you how to analyze the situation and determine the possible responses.

From there you can write a plan to achieve your goal and, finally, implement it (note: even the best plans are of little use, if not implemented). Below you will find this simple sequence described in detail. But don't focus too much on the details; it is more important that you understand the overall approach and know how each step will help you solve your particular problem.



How to craft an action plan

The Toronto Centre's action planning methodology consists of three main stages: define the problem, develop a solution, and implement it. We recommend following this sequence. Experience has shown that jumping into action before properly understanding the problem or before having a well thought out action plan is not a good idea.

Each stage is broken into a number of steps. Keep in mind that not all steps are applicable to every situation and some may be applied differently depending on the circumstances. In practice, one may need to revisit a step even after moving on to the next stage.

So follow the sequence discerningly. Never apply the method - either the whole or in part - mechanically. The methodology is not a recipe book, but nonetheless it will help you acquire the discipline necessary to make effective action plans to address your most pressing challenges.

A. ASSESS THE CHALLENGE¹

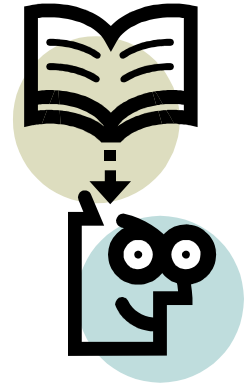
Let's start by understanding the problem. Begin by knowing what the situation is that is pushing you to action. The problem may be immediate or it may simply be a source of discomfort at a point in time. It could be a crisis situation, an inefficient process, a new mandate to implement a procedure, or you may just have a suspicion that something is wrong. Each situation requires a unique response and, if there is none apparent, the problem may be to look for one.

Understand the challenge before trying to find a solution. While you can never understand a problem too well, usually there will be time and resource limitations that will force you to make decisions with incomplete information. Accept this and be prepared to revisit your plans as more information becomes available.

We have broken this stage into three steps and described them in more detail below.

1. Analyze the situation (Look at the circumstances around the problem)

- **Identify the problem.** Naming is the first step towards understanding. Begin by naming the challenge you want to address. You can then turn that name into a precise description.
- **Consider relevant macro factors.** Nothing functions in isolation. Consider what factors are affecting the situation. For example, what social, political, and macroeconomic factors are relevant? Relevant is key, of course; if it contributes to the problem, helps understand it or could play a part in the solution, it is relevant.
- **Consider relevant micro factors.** For example, if you are dealing with a problem company, what is its governance structure, financial situation and market position?
- **Determine your own agency's state of preparedness.** Your agency or team may be part of the problem, and it could certainly play a big role in the solution. Look inside: analyze your resources, expertise, people, systems, and legal framework. Does your agency have the powers, procedures and people to deal with the challenge?
- **Establish timing, importance and urgency.** Is the solution to the problem urgent? How much is at stake for you, for your agency, for the country?
- **Determine who is affected by the problem.** Understanding who is affected by the problem will give you leverage when you try to implement the solution. You will be better able to explain your position if you understand the needs of others.
- **Check perceptions.** How is the problem being perceived by the market and government? While you may think the problem is important or urgent, others may think differently. This should factor into the solution.



¹ Challenge - A challenge could include: a process improvement or change such as the introduction of risk based supervision; managing a problem institution; managing a systemic crisis; implementing a new human resource initiative such as a revamped training program; an agency reorganization of a part or all of the agency, including integrating separate agencies; the introduction of a new legal framework or revising an existing one etc.

- **Gather relevant information** You will be gathering information all along. At a certain point, ask yourself whether you have all the information you need to support your diagnosis of the problem.

2. Identify the causes of the problem. Make sure you are addressing a cause; not attacking symptoms.

3. Evaluate risks and benefits. Think about whether it is better to tackle the problem immediately or simply monitor it. Understand the risks if you do not address the problem; similarly identify the benefits in finding a solution. This understanding will be helpful later when you need to persuade key stakeholders.

⇒ **State the problem precisely** You started by putting a name on the challenge. Now after you have analyzed it and gathered enough information, you are in a position to actually define it precisely. Just think how you can convey the essence of the problem to someone else.

Before moving on to the next section, please refer to the Assess the Problem part of the simplified example at the end of this document.

B. DEVELOP A SOLUTION

Now that you understand the challenge, develop a plan to deal with it. We suggest you first define WHAT you want to do, and then develop HOW you will do it. Also we suggest you proceed by first preparing an outline of the plan containing the main steps and - what is very important - identifying WHO is involved in the solution. Once you are convinced that your approach is feasible and that you know who must be involved, then you can proceed to write out a detailed plan.

1. Identify a preferred outcome (WHERE). Among a number of possible solutions, find the one that seems to have the best chances of bringing the outcome you prefer with the costs and risks you can bear.

- Formulate the desired outcome (your goal). What do you want to achieve? How will things be better without the problem?
- Identify options to achieve your goal and select one. Based on your understanding of the problem and the definition of the desired outcome, list possible solutions; that is, sets of actions that will lead to the outcome. Compare those solutions taking into account your goals, strategic constraints, political objectives, perceived difficulty of implementation, and any other criteria relevant to the situation. Select the one that you prefer, and keep the others for contingency plans.

2. Outline the plan (WHAT). Sketch a solution in broad terms. Leave the details for later.

- List the main steps in your plan. Say what you propose to do in a few big steps. Determine the appropriate sequencing; that is, what comes first, second, etc.



- Identify potential barriers and enablers. Identify possible obstacles that you will encounter in the execution of those steps. Identify what events, persons, organizations or laws may help you in the implementation of the plan.

3. Analyze stakeholders (WHO). Based on a broad sketch of your plan, identify who may have power to hinder or help it. These are the key stakeholders. It is important to note that the stakeholders and their importance will depend on the particular plan you are trying to implement, even if your challenge stays the same.

- Classify stakeholders according to their power over your plan. Powerful stakeholders (with respect to your plan) are called key stakeholders.
- Identify the needs and interests of the key stakeholders. Whose interests are being affected by your plan? Determine their needs, wants, concerns, and interests.
- Establish whether and how your plan meets stakeholders' needs and interests. Identify the common ground: how can your plan meet their interests? A powerful stakeholder whose interests you are affecting with nothing to offer in return is a very tough nut to crack. Make sure you understand what you can offer and what you need to obtain from each stakeholder. Whether they are for or against you will depend largely on your ability to show or create common ground. Concentrate your attention on those with power over your plan.
- Choose a communication / persuasion/ negotiation strategy for each group of stakeholders. Some degree of persuasiveness is always necessary, but with some stakeholders you need to communicate (for example, the media), whereas with others you will need to negotiate (you don't want to negotiate with the press). For instance, when you are in a position to negotiate the conditions for a new investor to take over a problem bank, no matter how persuasive you are, at some point you need to spell out the terms, provide numbers and be prepared to give and take, if you hope to reach an agreement.

4. Detail the plan (HOW) Now that you know what you want to do and who you will have to deal with, if you still think your plan is feasible, you must work out the details.

- Detail activities for each individual step in your outline. Break up the sequence of steps in as much detail as reasonable (admittedly, this is unlikely to include precise advice).
- Determine resources needed for each action. What human, infrastructure, IT, and other resources are needed for each step?
- Define the timing and preconditions for each action. Estimate timing for each activity. Identify critical deadlines. Link each activity to its preconditions. What needs to be done before the next activity can take place. Depending on the complexity of the plan, you may want to use specialized software (or simply use a spreadsheet) to put all of this information together.
- Identify the critical path. Identify the sequence of steps; this determines the overall timing of the plan.

5. Evaluate the plan (WHETHER). Now that you have completed your plan, step back and take an overall look at it.

- Consider: Will the plan achieve the desired goal in time? Is the timing of the resulting plan compatible with your goals, political constraints, etc?
- Determine: Are the needed resources available?
- Identify: What are the implementation risks? What can go wrong? Identify the steps where the greatest implementation risks lie. Identify the threats to your plan coming from forces outside your control.

6. Prepare a contingency plan (WHAT IF)

⇒ *Document the plan clearly and completely*

Before moving on to the next section, please refer to the Develop a Solution part of the simplified example at the end of this document.

C. IMPLEMENT THE PLAN

Remember, even the best plans are of little use if not implemented properly. Implementation is about following your plan, closely monitoring the results people are expected to achieve, and adherence to timelines and budget. And of course modifying your plan, where it is necessary to do so, in an informed and structured versus improvised manner.

1. **Confirm project mandate.** Make sure you do have the green light to proceed and the goal and the plan for getting there have been accepted by your superiors.
 - The approval to proceed with your plan should be obtained from your superior, or the head of your agency, and this should be evidenced in appropriate committee minutes with specific reference to the plan you presented.
 - Ideally, for large projects, you should have a member of the executive of your agency as a project sponsor. The project sponsors role is to provide guidance and act as a liaison between the project tem and the executive management.
 - Formally announce the project to all key stakeholders clearly communicating the objectives, benefits to them, and timeline.
2. **Organized the core implementation team.** Get your team in place, communicate your vision, build enthusiasm.
 - Recruit and get firm time commitments from project staff, particularly those who work for others within your organization. Document and communicate their individual gaol commitments.
 - Ensure that all members of the project team fully understand the goals, the expected benefits, the plan for achieving these, and critical time lines.
 - Agree on, document and communicate to team members how they are expected to communicate among themselves both across the project team and up to superiors.
3. **Gather the necessary physical resources.** The lack of needed physical resources could seriously divert attention away from a projects substance

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- Ensure that all required physical and logistical resources have been clearly identified, and to the extent possible, put in place before they are actually required.
4. **Establish project governance.** Project governance is to a project what a board of directors is to an organization.
- Large projects require steering committees to provide project oversight, but such committees are only effective if they have knowledgeable members, clearly defined responsibilities and accountabilities, and are well led.
 - The nature and frequency of reporting to the steering committee, and actions the steering committee are expected to take, should be defined.
 - A formal communication program to key stakeholders should be established taking into consideration, what needs to be communicated, how frequently, and by whom.
 - Systems need to be established to ensure systematic capture and reporting of information in order to provide the means to monitor time-lines and the use of human and monetary resources.
5. **Monitor the achievement of results.** Some projects have all the trappings of strong oversight and governance, but get lost in detail and miss important issues.
- Systematically review all information that is available throughout the project – feedback and concerns from team members, information provided by the project management system, and questions and issues raised by the steering committee, in order to be alert to project management problems or an indication that expected benefits may not be realized.
 - Ensure that all issues are dealt with and that there is an escalation procedure in place to move unresolved issue up the organizational chain to avoid surprises.

Please refer to the **Implement the Plan** part of the simplified example at the end of this document.

3 - A SIMPLIFIED EXAMPLE OF THE USE OF THE ACTION PLANNING METHODOLOGY

You are head of the supervision or market surveillance group in your agency. The workload in your group has increased due to changes in the financial sector, specifically, increased activity, innovation and growing complexity. You do not have sufficient resources to do the work and would like your budget increased. At a recent meeting with the head of your agency, you were told that neither the Minister nor the industry would be receptive to an increase in agency resources.

A. ASSESS THE PROBLEM

Identify the problem - Inadequate resources given market demands.

Macro factors - You are concerned about the safety and soundness of financial institutions and consumer protection issues if your resource concerns are not addressed.

Micro factors. The financial sector is growing rapidly and introducing new products and services constantly.

Your own agency - Staff turnover, growing stress, declining morale.

Timing, importance and urgency - You are just coping, so you are not yet in a crisis, but could be if action is not taken in the next year.

Who is affected by the problem - Staff in your sector, your agency due to potential reputational risk, consumers of financial products and services, the industry.

Check perceptions - We all perceive the problem as important and urgent. You are concerned your staff will suffer “burn-out”, and that your agency is at risk if something important is missed. Your agency head understands your position, but believes that the Minister might see further agency expansion as impeding competition, and the industry might see it as leading to a further increase in regulatory burden.

Gather relevant information - You need to quantify and document information on the workload increase such as overtime, and its impact such as staff turnover and quality assurance concerns you might have from your review of files.

Identify the causes of the problem - The root cause is inadequate planning in the agency, specifically, consideration of how the industry is changing and the impact this is having on your agency.

Assess risks and benefits of tackling vs. monitoring the problem - If nothing is done, you will likely reach a crisis point where you are in a constant state of crisis management because of the inability to identify and deal with problems on a timely basis.

⇒ **State the problem precisely:** Unless agency supervisory / monitoring staff are increased within the next six months, the agency will fail to meet its objectives.

B. DEVELOP A SOLUTION

Identify a preferred outcome

- **Goal** – To get agreement from your agency executive for a meaningful budget increase, and ensure that the industry and the Minister do not object to this.
- **Options** -
 - Do nothing and hope the executive, the industry and the Minister eventually recognize the risk to the stability of the system and take action.
 - Go directly to your agency head, setting out your concerns, and leave it in his/her hands to deal with.
 - Go directly to your agency head setting out your concerns. Obtain his/her support and offer to work with him/her to persuade the Minister and industry of the need to do this.
 - As per the previous option, but also work to persuade other senior staff of the need for a budget increase in supervision/market surveillance.
- **Preferred solution** - The preferred option is the last one. It puts you in a position of considerable influence, and allows you to gain the support of, or address the possible objections from, other senior staff who may not believe you need additional resources and could block your efforts.

Outline the plan

- Perform a thorough SWOT analysis (Strengths, Weaknesses, Opportunities, and Threats) in order to have the information needed to make your case.
- Persuade your agency head of the need for a budget increase
- Meet individually with other senior staff to make your case and gain their support
- Prepare presentation material for meetings with the Minister and industry representatives, and review with your agency head.
- With your agency head, meet with the Minister and industry representatives to make your case.

Analyze stakeholders

- Key stakeholders are your agency head, other senior agency staff, the Minister, and the industry.
- Perform a comprehensive stakeholder analysis (using the Toronto Centre framework) that would include the needs and wants of stakeholders.

Detail the plan

- Detail the components of the SWOT analysis, where the information will come from, the resources required to do the work, how the information will be presented, and who will do this work.
- Determine the type and detail of information that needs to be provided to each key stakeholder in order to persuade them of the need to increase your budget.
- Prepare a time-line indicating completion of the components of the SWOT analysis, and meetings with stakeholders. Be clear on the tasks that might delay the whole project if they are not completed on schedule.

Evaluate the plan

- Once your plan has been developed, stand back from the detail and consider whether anything important has been missed and whether it is realistic.
- Consider whether the resources needed to execute the plan are available, particularly the human resources.
- Be clear on the critical success factors, as well as the events that could occur that could derail your plan (e.g. not getting the support of your agency head, or encountering intense opposition from the industry).

Prepare a contingency plan

- If you are unsuccessful, or attempting to obtain an increased budget takes longer than expected, you will need to find ways to manage your group under difficult conditions.
- You will also need to ensure that you keep your agency head fully informed of the challenges you are dealing with.

C. IMPLEMENT THE PLAN

Confirm project mandate

- You submit your plan to your agency head and subsequently make a presentation of your proposal to him. He declines to approve it and asks that the proposed plan be taken to the agency's executive management committee, which you do, and receive approval to proceed.
- You ask that a member of the executive team be part of the project as the executive sponsor and the head of HR offers to do so.
- You send an email to other senior staff to tell them about the project and that you will brief them shortly. Your agency head agrees to give a heads-up about the project to the Minister and the executive director of the trade association.

Organize the core implementation team and Establish Project Governance

- You brief relevant directors (say, three) and tell them how important this is and how much you need their support to build a strong case.
- You ask them to volunteer one of their staff members to be the project analyst to work full time on the project to assemble, analyse and present the required information. You tell them that the individual must have strong communication and conceptual skills.
- You agree that the four of you plus the head of HR will form the steering committee.
- You further agree that one of the directors will oversee the project analyst, one will perform the stakeholder analysis, and the third will be responsible for communication with staff. You will handle stakeholder relations at your level and above.
- You agree to hold weekly steering committee meetings
- You document roles and responsibilities and communicate these to all members of the steering committee and the newly appointed project analyst.

Gather the necessary physical resources

- You arrange for a private office for the project analyst so he/she can have a private and quiet work environment.

Monitor the achievement of results

- You require that all team members will bring brief progress reports pertaining to their responsibilities to the steering committee for review and action as required.
- You ensure that steering committee meetings are focused on results, and that issues are identified and a course of action agreed to where necessary.

4 – Working on Your Action Plan in a Toronto Centre Program

Several groups of four to six participants working on similar challenges are formed by the Program Leaders.

Each day participants will work on their individual action plans with their group in the conference room. A Program Leader will be present to provide group as well as individual guidance. The Program Leader will be available at other times as well to provide one-on-one assistance where requested.

Participants are expected to work on their individual action plans during free time throughout the week.

As the action plan is being developed, key aspects are to be summarized in a Work Sheet (see attachment) for review with the Program Leaders, and to ensure that the action plan addresses key considerations as per the Action Planning Methodology.

Participant Presentations

Participants make a presentation of their completed action plan on the last day of the program. Presentations are made in a breakout room to the small groups participants have worked with throughout the week, and the assigned Program Leader, rather than to the entire group. This approach is taken to provide an informal environment conducive to peer and Program Leader feedback.

Participant presentations typically take about 10 minutes with an equal amount of time devoted to the subsequent feedback.

The final action plan may be presented in a flip chart, or in a Word document. Where Word is used, copies are to be made for other members of the group. If confidentiality is of concern, participants may request that the handout be returned. PowerPoint is discouraged in order to ensure a focus on substance versus form.

After the completion of all presentations, a plenary session is held where each Program Leader comments briefly, and without attribution, on the strengths and areas for improvement in the action plan presentations they participated in.

Post Program Follow-Up

The final aspect of the action planning process is the post program follow-up by the Toronto Centre. On a periodic basis, the Toronto Centre will send you an email requesting an update on your progress in implementing your action plan.

The Toronto Centre will use this information to assess the effectiveness of the action planning process, which could lead to changes in the process itself to enhance the likelihood that action plans will be successfully implemented.

Action Plan Worksheet (Page 1)

Describe your challenge:

A. List in order of execution five main steps in your plan and provide a measure of achievement for each step.

	STEP	MEASURE OF ACHIEVEMENT
1		
2		
3		
4		
5		

B. Provide a rough estimate of the time of completion for the plan.

C. What is the main barrier to the plan's successful execution?

D. What is the main enabler or leverage in your plan?

E. Stakeholder analysis

List not more than four key stakeholders for your plan based on their power to influence its outcome.

1	
2	
3	
4	

Action Plan Worksheet (Page 2)

List their main interests and concerns of stakeholders with respect to the plan.

1	
2	
3	
4	

What exactly do you want stakeholders to do for your plan?

1	
2	
3	
4	

Identify the main element of persuasion to obtain your objective.

1	
2	
3	
4	

Describe your overall persuasion/communication/ negotiation strategy.

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If you are interested in participating in the Toronto Center Advisory Program (TAP), please check this box