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From: Barry Brooks
Sent: Wednesday, August 01, 2012 9:54 AM
To: Leadership Team; Alice Washington; Barry E. Brooks; Don Hutchinson; Dr. Daryl Burckel; Ellen M. Lee; Guy Williams; John Kennedy; Malcolm Young; Matthew P. Ritchie; Mayson H. Foster; Michael L. Airhart; Willie Spears
Cc: 'Jeff Zlonis'; 'babak@psg.us'
Subject: REVIEW: Preparatory Materials for August 7 LHC Strategic Plan Development Workshop
Attachments: Preparation for Aug 7.doc

Importance: High

Good Morning Everyone! The below is self-explanatory and from Jeff and Babak of PSG. In essence, we have three (3) distinct tasks as denoted below in preps for our meeting on Tuesday.

"Enclosed is preparatory material for the August 7 retreat. In this one document, there are a draft vision statement, draft values, and a list of strategic opportunities. On the 7th we will spend a relatively short period of time working on the vision and values while we will spend most of the time selecting strategies to pursue.

You are to do three things to prepare:

1. Read the draft Vision statement. Identify any major ideas that are missing. Note any ideas that you would like to change. Do not wordsmith the document, we will not do that on the 7th.
2. Review the Values. Does this seem to be the right list. Is an important value missing? Once again we will not do "wordsmithing" at the retreat.
3. Review the list of Strategic Opportunities. There are 13. We will select five of these as the focus of the strategic framework. Please think about which five you would select and why.

The attached document contains an overview of these products as well as the vision, values, and strategic opportunities material.

Thanks, we look forward to seeing you on August 7."

Thanks Barry for sending this to all participants.

Best, Jeff

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Developing the LHC Strategic Plan A Crib Sheet

OUTLINE OF THE PLAN

The strategic plan will have 5 elements:

1. The Mission Statement (page 1 below)
2. The Vision Statement (page 3 below)
3. The Strategies (page 7 below)
4. The Values (page 6 below)
5. The Measures

Subsequent to the Boards approval of a strategic plan, the staff will be charged with developing an annual operating plan. The operating plan will be submitted to the Board for approval. It will lay out what the organization needs to do (in the next 12 months) and, along with the Measures, provide the basis for staff accountability.

THE MISSION

What is this? A Mission is a short memorable statement of LHC's purpose.

This has already been developed. It reads:

To assure that every Louisiana resident is granted an opportunity to obtain safe, decent and sustainable affordable housing.

What do I need to do to prepare? It has been proposed that the word "accessible" be added and that the word "decent" be changed to "quality." Also, it has been proposed to eliminate the word "safe." Be prepared to decide on these changes.

THE VISION

What is this? A Vision Statement describes a *future state* toward which LHC aspires. Vision statements describe where the organization would like to head.

Where did it come from? Based on Board discussion (using the yellow post-it notes) a list of 19 possible vision elements was drafted (file name: Vision Elements2). From this,

PSG drafted a potential Vision Statement: [Louisiana@home](#). You received this draft on July 19 and it is included below.

What do I need to do to prepare? Please carefully review the draft. We will take about 45 minutes on August 7 to gather your ideas for improving the draft. While it will not be practical to wordsmith the document in this meeting, look for missing areas of content and/or things you don't think belong in LHC's vision. In doing this, consider PSG's advice in the green box.

THE VALUES

What is this? Values are a few short memorable principles that guide behavior.

Where did it come from? Based on Board discussion on July 10, several important principles have been derived.

What do I need to do to prepare? Review PSG's draft of these principles included below. Are these the right concepts? We will take about 30 minutes to discuss and approve a Values statement.

THE STRATEGIES

What is this? Strategies are the high priority changes that will redirect LHC toward the Board's vision.

Where did this come from? At the July 10 meeting the Board and staff discussed data from the SWOT analysis. On July 11, stakeholders expressed their ideas and expectations of LHC. These two sources helped to surface some of the key gaps between where the Board wants the organization to be and where it is today. PSG compiled the themes of what it heard; that compilation resulted in 13 possible strategic opportunities.

We don't know if these are all valid, nor if they all reflect a consensus of the Board. It's just a summary of what was said. Therefore, on August 7, the Board will discuss these possibilities and choose a few of those that seem to hold the most leverage for moving the organization toward the Board's vision.

What do I need to do to prepare? Review the 13 possible strategic opportunities carefully. Come to the August 7 meeting prepared to comment on the possible strategies. Be ready to choose 5 of the 13 that you feel hold the most potential.

LHC Vision Statement

What you need to do in preparation for August 7

Please review the draft vision statement and prepare comments for August 7 discussion. We will not wordsmith the document at the meeting and are not asking you to edit. We are asking you to think about the ideas and how they will help LHC focus on the future. Is something important missing? Could one of these ideas take us in the wrong direction? Does anything need more emphasis?

louisiana@home

We at LHC aspire to a future where . . .

Louisianans throughout the state regardless of income have the opportunity for affordable housing. Yet, we are after more than just housing; we are in pursuit of “home” for every resident in our state.

Home is not only a quality shelter, it is a place that is secure, that fosters a sense of identity and belonging, and that appeals to the aesthetic sense of each resident. And home is an essential building block of community—attractive places where people work, play, and support one another.

The creation and nurturing of communities of homes is a vital plank in Louisiana’s coordinated transportation and economic development strategy. We build homes close to where the jobs are; and the communities of homes we help develop, in turn, promote economic growth and vitality.

LHC is *the* Louisiana resource for housing. From providing useful and timely information to policy makers, to braiding of state and federal funding to meet community needs, to convening partnerships, LHC is Louisiana’s one-stop housing shop.

LHC, in collaboration with private, non-profit and local government partners, is an important catalyst in creating these conditions. We build win-win partnerships with individuals and organizations whose work is aligned with our mission. The keys to these successful partnerships are that we continuously work to build mutual trust, we keep lines of two-way communication open, and we make ourselves mutually accountable for

results. Those with whom we work view our decisions as fair and the results we produce are equitable.

All this requires resources. We don't wait for someone else to give us "full funding;" rather, we have become masters of resource entrepreneurship. Through our own mission aligned self-sustaining undertakings and resource collaboration with others, we have mustered the human, political, and financial resources necessary to meet Louisiana's housing needs.

And, we use our resources well. Data driven decision making helps us invest to maximize the return in both outcomes and finances. We leverage our financial and human resources. Citizens and their elected representatives see us as good stewards of taxpayer dollars.

From our state of the art paperless systems, to being a national model for disaster response, we are the most innovative housing corporation in the country. We focus on results, experiment, and take prudent risks while concentrating on *learning* and *continuous improvement*.

Strong accountability and the learning that results, is the key to all this. Everything we do, at every level, is focused on producing and being accountable for measureable results. Our block grants from HUD are tied to results, not rules and process. We have similar results based relationships with our suppliers. So, too, is the relationship between Board and staff. And we make those results matter to everyone in our system.

NOTES FROM PSG REGARDING THIS DRAFT VISION STATEMENT:

The draft vision statement, above, is based on the key points expressed by Board members in the July 10 meeting. We will spend a little time at the August 7 meeting reviewing this draft for content; but we won't be editing it as a group. This is not intended as the final product—a writer from LHC can produce that.

Though only explicitly raised in one of the vision suggestions on results, we have deployed the notion of "home" as a way you can capture the idea of community and supportive services in a single word. The title may be a little too *avant garde*; we wanted to convey your notion of a fully 21st century organization as succinctly as possible.

When the vision is vetted it is unlikely to receive uniformly positive response. Cynicism, often associated with bureaucratic cultures, makes embracing aspiration of any sort a big challenge. It will likely produce comments such as "never suggest anything that you aren't 100% sure you can deliver;" "the vision should not promise things that we don't have direct control over;" and "there is already too much change, this suggests more."

These reactions are all normal. **Vision statements are deliberately designed to provoke thinking and expectation. They are not useful if they are only reflections of the status quo.**

The Board has expressed its desire to have the entire strategic plan be a living document that guides work of the organization every day. It will be important, therefore, to find ways this fall to engage employees with the vision. Some organizations do this by inviting employees to offer editorial comments on the statement. For reasons cited above, we do not recommend this approach.

Rather, it would be a good idea to ask each work unit in the organization to meet to discuss the vision statement (and the rest of the strategic plan) and to develop for their work group their own specific manifestations of the ideas in the vision. This helps tie the high level concepts of the vision to their specific work. In this way, the vision statement can work at all levels of the organization.

LHC Values

What you need to do in preparation of August 7.

Please review this list to see that it captures the principles that should guide LHC operations. Prepare any additions or editorial comments that you would like to make at the August 7 meeting.

Accountable

We measure, report on, and learn from the results of our work. Results matter to us, not just process.

Sustainable

Through mission-aligned entrepreneurship, we invest our human and financial resources in sustainable ways.

Transparent

Our business transactions and decision-making processes are open for all to see. We communicate in plain language.

Fair & Equitable

We look for win-win arrangements with our suppliers and partners and focus both policy and administration on equitable outcomes across the diversity of our state.

NOTES FROM PSG REGARDING THE VALUES STATEMENT

In discussing the Vision, the Board identified the need to distinguish *values*—principles that guide LHC work—from the Vision—a future state toward which LHC aspires. This draft values statement is derived from the July 10 Board discussion.

Values statements are simple broad principles that everyone in the LHC system—board, staff, partners, and suppliers—is encouraged to use in guiding their everyday behavior and work.

Keeping values alive as a guiding force means regularly reviewing our work for alignment with the values and asking others for feedback on the consistency of our behavior relative to these values. For example, a Board or staff meeting might be concluded with a 5-minute “check-in” on the extent to which actions in the meeting are consistent with the values.

LHC Strategic Opportunities

What you need to do in preparation for August 7.

Please review these strategic opportunities in preparation for the August 7 retreat. The Board will be selecting 5 of these opportunities as *strategic priorities*. Be prepared to identify your top five and the reason that you selected them.

The following opportunities have been developed based on the work of the July 10 strategic meeting and July 11 stakeholder input. When comparing the draft mission, vision and values for LHC with the current circumstances emerging from the SWOT analysis, a number of “opportunity gaps” become evident. These gaps are fodder for strategic change.

We have identified, below, thirteen of these gaps that offer the greatest potential leverage in moving LHC toward its vision. Each is the potential topic of a strategy to be included in the strategic plan. Each strategy in the plan might be a page or two describing LHC’s approach to the topic. PSG will draft these strategies *after* the August 7 meeting.

HOUSING STRATEGY

LHC lacks a plan that describes the housing needs of Louisianans and how LCH will help meet those needs. The strategy should include approaches that result in fairness and equity in housing opportunity, eliminating homelessness, and supporting housing needs across the state. At the heart of such a strategy would be a blueprint for raising access to affordable quality housing for all those in need.

RESOURCE LEVERAGING STRATEGY

Is LHC generating all the resources it could? For example, several Board and staff members expressed the view that opportunities to generate entrepreneurial revenues are not fully realized. Such additional resources could, in turn, be used to fill gaps in legacy housing programs. Others have seen the possibility that LHC could better use its human and financial resources to leverage its programs.

INVESTMENT STRATEGY

There appears to be a gap between current practices and the Board’s vision for a disciplined approach to housing investments. An investment strategy would guide investments in all programs such that they maximize return—in financial and non-

financial terms—as well as reflecting priorities set by the Board. It would provide Louisianans with a rationale for how LHC resources are used to meet the State's affordable housing needs.

PARTNERSHIP STRATEGY

The LHC vision anticipates strong partnerships with developers, investors such as HUD, and local communities. Several Board members and a number of stakeholders expressed the view that these relationships could be strengthened. A partnership strategy would spell out how LHC can be more responsive with its partners, more timely in its decision-making, and more creative in crafting win-win arrangements with its partners.

Suggestions have been to improve 2-way communication, use new technologies and create account representatives as part of such a strategy.

INNOVATION STRATEGY

Board members, staff, and stakeholders alike sometimes view LHC as using past practice as a guide rather than constantly seeking better and better ways to fulfill its mission. A strong innovation strategy would address how risk taking will be managed, putting an emphasis on learning (vs. blame or credit), investing in R & D, and creating a culture of experimentation.

ACCOUNTABILITY STRATEGY

While the Board's vision stresses accountability for measured results, too many of the organization's existing systems stress accountability for process and procedure. In fact, the organization lacks an infrastructure to measure and report on housing outcomes, and other aspects of organizational performance. An accountability strategy would include how the Board, staff and partners would be accountable for measured results, but also how more latitude would be given to those producing the results. In addition, the strategy would spell out how results based performance data would be used as a learning tool rather than a tool for assigning credit or blame.

INTEGRATION STRATEGY

Most everyone involved in the strategic planning process thus far has bemoaned the deleterious impact of programmatic and bureaucratic "silos" and the impact of this segregated approach on value/cost ratio of LHC activities. An integration strategy would not only define how a variety of LHC programs and funding streams might be integrated around the interests of a particular community or particular project, but also how staff unit boundaries might be more permeable. Tactics mentioned in the planning process thus far such as "one-stop shop" arrangements or "account executives" could be key planks in the integration strategy.

BUILDING SUPPORT OF AFFORDABLE HOUSING STRATEGY

Many policy makers, community leaders, and members of the general public lack a full understanding of the benefits and opportunities for better more affordable housing. For example, the relationship of housing and economic development is not always well

understood. A strategy to build support would lay out a specific approach for building greater understanding among legislators, local government elected officials, community and business leaders.

PROCESS IMPROVEMENT STRATEGY

A frequent complaint of stakeholders has been the cumbersome nature of some LHC processes and the lack of timeliness in LHC decision-making. Process improvement methodologies such as *lean*, *six sigma*, and *TQM* can help improve such conditions while reducing LHC cost as well. The process improvement strategy would lay out how such methodologies would be employed at LHC.

GOVERNANCE STRATEGY

As a new corporation, the Board has opportunity to create new practices. The Board sees the possibility to depart from some of its past practices and recreate itself in light of its new role. A governance strategy could include introducing a committee structure aligned with the strategic plan, changes in the way the Board conducts its deliberations, and changes in the accountability relationship of Board and staff.

STAFF DEVELOPMENT STRATEGY

The staff is largely aligned around past practice, not the dramatically different possibilities imbedded in this strategic plan. Just as the Board has the opportunity to realign its modus operandi around the strategic plan, so too, does the staff. A staff development strategy would include approaches to recruiting, retaining and rewarding the kind of people necessary to carry out the Board's vision. It would also include approaches in increasing staff and management knowledge and capabilities as well as developing an entrepreneurial results-based culture in the organization.

COMPLIANCE STRATEGY

Many Board members are concerned about the possible consequences of lack of compliance with state and federal regulations. LHC currently employs an antiquated and expensive approach to getting partners and suppliers to comply with these regulations. A compliance strategy would define more modern approaches to getting people to comply voluntarily so that expensive enforcement approaches could be minimized.

INFORMATION MANAGEMENT STRATEGY

There is widespread expectation that LHC could dramatically improve the way in which it handles information—from integrating databases and intake processes to producing better information for policy makers, to pursuing a paperless delivery system. And, everyone also appears to envision better use of technologies in managing information. An information management strategy would articulate high-level information management policies for the organization, approaches to investing in new technologies, and approaches to maximizing the return on those investments.

A NOTE FROM PSG ON STRATEGY STATEMENTS:

Aren't all these things important? Don't we need to do all these things?

Yes. But undertaking all at once, thirteen major changes would be overwhelming to the organization. And, making this much change would consume so much human and financial resource that It would be unwise to try to undertake and to fund all of these strategic opportunities immediately. Strategic plans are about *choices*.

Our advice is that the Board selects five strategies from this list that seem to offer the best immediate possibilities. Then really focus a) your leadership attention, the time of your best people, and the money it takes to make the change. The focus on five does not mean that other improvements won't take place as the corporation has the capacity to pursue them. Other strategies can be pursued in the years that follow.