



## 10 MISTAKES TO AVOID

# Making Strategy a Reality: Redesigning the Budget Process to Drive Your Strategic Plan

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# 10 Mistakes to Avoid

## Making Strategy a Reality: Redesigning the Budget Process to Drive Your Strategic Plan

Relying on the same budget process has a tendency to uphold the status quo rather than enable change. While redesigning your approach to budgeting may sound daunting, creating a budget process aligned to your strategic objectives is crucial to realizing your goals. In fact, it is not as difficult as you may think. Here is a reminder of some common pitfalls to avoid.

### Don't expect to move forward on all priorities at once.

Creating a new strategic plan generates excited anticipation for significant change on multiple fronts. But real change requires resources of time, money, and people, and there are rarely enough resources to push forward on all priorities at once. Don't forget to create focus to achieve success.

### Don't assume that others understand your priorities.

Superintendents and district leaders often assume that they have articulated the priorities clearly and repeatedly and that the message has been well understood. But don't forget that it takes relentless repetition to ensure that the majority of stakeholders absorb the message. A broad-based understanding is critical to success.

### Don't forget to explain the *how* behind the *what* and the *why*.

A strategic plan focused on vision and goals may help people understand *what* the district is trying to achieve and *why*. But it is equally important to articulate the *how*. Translating vision and goals into the action steps that need to happen is essential to achieving your objectives.

### Don't use a one-off solution to deal with structural deficits.

When expenditure growth outpaces revenue growth, making cuts one year at a time under pressure generally does not result in the most strategic use of resources. Instead, step back to understand the changes needed to address the structural deficits and develop a multi-year plan so resources can be protected to support your strategic goals.

## Don't let silos get in the way.

In many districts, the budget process promotes territorial behavior: departments feel they are battling each other for resources, and superintendents and budget officials are in the difficult position of being the arbiters. Having district leaders work as a team focused on district-level goals facilitates tradeoffs and helps achieve district objectives.

## Don't focus your communication on just balancing the budget.

While communities appreciate the impact of good fiscal planning, they are rarely energized by hearing about the virtues of balanced budgets. Even during hard budget years, focus communication on the district's goals and the specific actions that are being taken to realize these goals.

## Don't make new investments without measurable goals.

To ensure that resources are being used effectively, set a district norm that every new initiative must have clear objectives, measurable outcome targets, and a means of tracking the associated costs. Don't be too quick to layer in new initiatives without doing this work.

## Don't leave A-ROI concepts out of cabinet-level discussions.

Too often, district program evaluations take the form of lengthy reports on activities and include complex statistical language. When discussing programs, stay focused on the academic outcomes — by student segment, if possible — as well as the fully loaded costs.

## Don't count on the best-case scenario.

When building multi-year budget projections, be sure to model multiple scenarios for key sources of revenue and drivers of cost to understand both best- and worst-case scenarios. Plan your responses to these various scenarios to ensure that your priorities are well protected and supported regardless of what lies ahead.

## Don't expect to use the budget process from another district.

Every district is different. A culture of school autonomy calls for a different budget process than does a highly centralized culture; a district with a highly transient population may benefit from finalizing its budget later than most other districts. Budget processes need to be tailored to the characteristics and culture of the district.