

**(Revised October 25, 2008)**

**Strategic Planning: Initial FEC Discussion Paper  
October 27, 2008**

This fall the FEC will start the process of revising the College's Strategic Plan with the goal of completing the revision in March 2009. Given the current financial environment in which the College must operate, revising the Strategic Plan to reflect the new realities is crucial to our ability to meet programmatic expectations while maintaining a worldwide reputation for excellence. Despite repeated cost reductions the College is in a fiscal environment characterized by costs consistently exceeding revenues resulting in unsustainable draws on dwindling financial reserves. In addition, our fixed and variable costs continue to increase while revenues are very uncertain. Given this situation and the more recent deterioration of the global economy, timely development of a revised strategic plan that directly addresses fiscal reality and provides achievable solutions, is essential to the College's long-term well-being. To secure a better financial future and fiscal stability, major changes in the College beyond those of the recent reorganization, may be necessary.

In addition to a plan for fiscal sustainability, this plan must describe what key roles the College of Forestry will play over the next 3-5 years in helping Oregon and Oregon State University succeed in the 21<sup>st</sup> Century.

To start the strategic planning process, the FEC's Strategic Planning Subcommittee (SPS) (Darius Adams, Tom Adams, Barbara Bond, Steve Hobbs, and Tom McLain) met October 2 and 13 to develop the draft elements and framework for the strategic planning process. This initial work, which follows, is intended to facilitate FEC discussion and decision-making relative to the strategic planning process. Specific questions for FEC discussion are presented.

Note: The Subcommittee suggests academic departments not engage in the development departmental strategic plans until revision of the College's Strategic Plan has been completed.

**The Purpose of the Revised Strategic Plan (Goals)**

1. To achieve financial stability.
2. To maintain or achieve a national and international reputation for excellence in targeted existing or emerging teaching, research and outreach programs.
3. To identify the significant contributions that the College does and will make to Oregonians through OSU's Land Grant mission.

*FEC discussion question: Are these the most appropriate goals for the plan?*

## **Desired Plan Characteristics and Guidelines**

1. Provides a vision of how a fiscally sustainable College can best serve the needs of Oregon and OSU. Explains the College's future directions internally and externally to inform stakeholders.
2. Provides options of how to deal with different financial scenarios (i.e., significantly decreased funding, stable to slightly decreasing funding).
3. Describes priorities for future college programs (i.e., growth areas) and explains rationale for those priorities.
4. Articulates longer term objectives (i.e., higher level objectives for Oregonians and the nation).
5. Creates a foundational document for future leaders.
6. Has an operational component (i.e., both tactical and strategic rules of the game).
7. Has a 3-5 year shelf life.
8. Creates historical context which includes a situational analysis (i.e., explains how we got to this point).
9. The plan is analytical (i.e., identifies and evaluates strengths, weaknesses, opportunities, and threats (SWOT analysis)).
10. The plan is direct and candid.

*FEC discussion question: Are these the right desired characteristics and guidelines?*

## **Strategic Planning Phases**

The strategic planning process will have three phases. Sequentially these are:

1. information gathering,
2. information and fiscal scenario analysis and the development of core programmatic options, and
3. decision-making communication and implementation.

*FEC discussion question: Are you comfortable with dividing the process into these phases?*

Phase I – Information Gathering. There will be four broad types of information collected: background information, future needs information, SWOT information (strengths, weaknesses, opportunities, and threats), and operational flexibility information.

*FEC discussion question: Are these the right types of information?*

- A. Background Information: Five to ten-year data on such things as enrollment, harvest tax, FRL appropriations, E&G allocations, expenses, professorial FTE, grants and contracts, retirement pattern, faculty demographics, what is happening at other academic forestry institutions in the region, and other pertinent data. The historical context is developed.

Recommendation: It is recommended that the SPS coordinate collection and synthesis of the background information.

*FEC discussion question: Do you concur with the above relative to background information?*

- B. Future Needs Information: Identification of current trends that will influence undergraduate and graduate education, research priorities, and outreach programs. The report produced by Fred Kamke et al. for the College reorganization is an example and in fact will be useful for this purpose.

*FEC discussion questions: (1) In addition to the SWOT information, which will contribute to this information need, and the Kamke Report, is there a need to develop other information or will this be sufficient? (2) If it is not adequate, what other information should be developed? (3) Who should be responsible for developing the information?*

- C. SWOT Information: Identification of the College's strengths, weaknesses, and opportunities as well as the threats to its programs.

The SWOT analysis should be based on information collected from focus groups representing the following stakeholder groups: CoF faculty, staff, students, FRL Advisory Committee, family forestland owners, industrial forestland owners, environmental groups, recreation industry, wood products manufacturers, federal resource agencies, state resource agencies, federal research organizations, and as a group, other OSU deans, Research Office, Institute for Natural Resources, and Graduate School.

Recommendation: The SPS should coordinate the collection and synthesis of the SWOT information. In addition, it is recommended the SPS convene a small group of outside stakeholders (3-5 individuals) to provide their interpretation of the SWOT data.

*FEC discussion question: Do you concur with the SWOT recommendation?*

- D. Operational Flexibility Information: Identify practical and achievable tactical strategies and cost reductions to achieve fiscal sustainability and best position the College for future success. Identify organizational, political and other constraints that will influence future outcomes.

Phase II – Information and Fiscal Scenario Analysis and Development of Core Programmatic Options. Information collected during the information gathering phase will be evaluated and integrated to develop a suite of strategies and actions that will achieve fiscal sustainability under two different financial scenarios that are likely over the next 3-5 years. **This will include the identification of options for potential core elements and programs essential for the College to maintain.**

- A. Decreased funding: Assumes that projected expenses will exceed projected revenues at an increasing rate over the next two biennia despite our best efforts. That is, we will likely exhaust our reserves sooner than currently projected and that the annual deficit increases over the current \$3M level. This results in a need to “borrow” funds to sustain operations.
- B. Stable to slightly decreasing funding: Assumes that the difference between projected expenses and revenues stays relatively stable or the deficit increases slightly over the next two biennia. This may eventually lead to fiscal default, but within a time frame that allows us to employ different transitional strategies than in scenario A.

Recommendation: The SPS recommends a core planning team does the initial analysis including the development of specific strategies and actions to address the two scenarios. **Given the identified strategies and actions, the core planning team will identify several options for potential core elements and programs that will be essential for the College to maintain at the end of a transition to fiscal sustainability.** This work would set the stage for a day long FEC retreat, preferably including the new department heads.

*FEC discussion questions: (1) Do you concur with the proposed financial scenarios?(2) Do you concur with the above recommendation regarding the analysis and subsequent FEC retreat?*

Phase III – Decision-making Communication and Implementation. Ultimately the FEC and the Dean will decide what the revised strategic plan looks like and the course of actions needed to achieve fiscal sustainability and strategic repositioning. Conceptually if there is a core planning team, they should have interacted with the FEC throughout the revision process so that when the final document is presented to the FEC and the Dean there are no surprises and the document is consistent with leadership thinking.

*FEC discussion questions: (1) Should there be a core planning team and if so, what should the composition look like? (2) As the Dean and FEC consider the final document, who should they consult with and how should that interaction take place? (3) Interaction with College faculty, staff, and students will be important throughout the planning process. How should that interaction take place? (4)What decisions will have to be made to meet goals articulated in the plan?*

**Schedule** (This is not a complete list of milestones.)

November 2008	Background and future needs information collected, synthesized and written up.
	SWOT information collection begins.

	Interaction with internal and external stakeholders
December	SWOT information collection completed and synthesized; sent to an outside group for their evaluation.
	Interaction with internal and external stakeholders
January 2009	SWOT information analyzed and written up. Operational flexibility information developed. Core planning team begins analysis and scenario development.
	Interactions with internal and external stakeholders
February	Core planning team completes its work. FEC holds retreat to address major and minor questions. Core planning/editorial team begins work on full document.
	Interactions with internal and external stakeholders
March	Draft document presented to FEC. Revised document shared with internal and external stakeholders. Document revised again and shared with FEC. Document finalized with Dean and FEC approval.