Strategic Planning Process for Transit Properties

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Strategic planning is a management tool used to analyze fundamental issues and changes and to aid managers in effecting organizational response to change. Strategic planning has been implemented and refined by most major corporations and some public-sector organizations, including a few transit properties. The authors' objectives in this paper are to review the literature and explain how strategic planning works, to present the results of case studies of strategic planning in the transit industry, and to recommend a framework for strategic planning. The authors concentrate on the recognized steps or elements of strategic planning. The major findings are that (a) management must make an early and serious commitment of time and resources to the strategic planning effort; management must participate; (b) the situation audit should be the basis for establishment of mission, goals, and objectives; objectives should be measurable; (c) management should select the audit's appropriate depth; (d) the establishment of mission, goals, and objectives and development of strategy should have a marketing perspective; (e) there should be strong links between strategy implementation, program planning, and the budget cycle; implementors should have responsibilities, objectives, and incentives to implement; and (f) a planning staff should be selected early to monitor the progress of programs, agency performance, and environmental change.

Strategic planning is a management tool used to analyze fundamental issues and changes and aid managers in effecting organizational response to change. Although the strategic planning concept predates that of strategic management, most writers emphasize the interrelationship between them. David (*1*) describes strategic management as the formulation, implementation, and evaluation of actions that will enable an organization to achieve its objectives. According to Steiner (*2*), "Strategic planning is inextricably interwoven into the entire fabric of management; it is not something separate and distinct from the process of management." Strategic planning supports strategic management and is a function of all managers at all levels in an organization.

Strategic planning has been implemented and refined by most major for-profit corporations. But has strategic planning really worked? According to Marrus (*3*), academic research on the subject has identified many positive results. David (*1*) reviewed studies on strategic planning by small businesses and found that there were significant benefits for manufacturing and service-oriented firms.

Since the late 1970s, there have been several attempts to apply strategic planning concepts to the nonprofit and public sectors. Organizations in these sectors are under increasing public pressure and scrutiny and are facing increasing competition (*4*). Although several authors have argued over the merits of strategic planning in the public sector, a recent review concluded that strategic planning is becoming widespread as a tool for improving public-sector planning (*5*).

Meyer (*6*) outlines four major differences between strategic planning in the private sector and in the public sector:

- Public agencies are subject to public scrutiny and political pressures that private-sector organizations seldom experience.
- In public agencies the decision making process is not as direct as that found in private-sector organizations.
- In the public sector, agency objectives are often mandated by legislation and not subject to management prerogative.
- Implementation of actions can be much more difficult in the public sector because of the allocation of resources through the political process.

Meyer concludes that these very same problems make strategic planning in the public sector necessary.

A few transit properties were among the first public-sector organizations to apply strategic planning concepts. But because of strategic planning's relative novelty in the transit industry, little empirical information is available on its application and benefits. Given the generally positive experience of other organizations, it is reasonable to expect that the transit industry can also benefit from strategic planning.

OBJECTIVES AND METHODS

The authors' objectives in this paper are to

- Review the literature and explain how strategic planning works;
- Present the results of case studies of strategic planning efforts in the transit industry; and
- Make recommendations on a strategic planning process for transit properties.

The research methodology consists of two major components: (a) review of the strategic planning/management literature and (b) review of strategic transit plans and case studies of five transit properties' strategic planning efforts. The case studies involve in-depth evaluation of strategic plans and personal interviews of officials with strategic planning responsi-

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bilities. The interviews took place between August 1987 and April 1988. The cases are Alameda/Contra Costa Transit (Oakland), New Jersey Transit, Port Authority of Allegheny County Transit (Pittsburgh), Seattle METRO Transit, and Utah Transit. These cases were selected using the following criteria: diversity in terms of size of fleet, geographic diversity, adherence to a strategic planning process, and involvement in the implementation phase of the process.

THE STRATEGIC PLANNING PROCESS

Although strategic planning processes vary among organizations, there are elements that are common to most strategic planning efforts. So (*7*) identifies the steps that appear to be common to strategic plans as follows:

1. Measure current progress and effectiveness;
2. Analyze the external economic, political, and social environment;
3. Examine various elements of the organization;
4. Analyze implications of the first three steps (situation audit);
5. Develop strategic objectives and a mission statement;
6. Implement programs, budgets, and plans; and
7. Monitor progress toward the objectives.

So further states that a strategic plan should focus on a few clearly stated critical issues and objectives. It should define conditions that can be affected and those that cannot and it should emphasize intuition and decision making, not just forecasting and scenario development.

HOW DOES STRATEGIC PLANNING WORK?

Various authors have focused on certain elements or steps as the keys to successful strategic planning: formality; organization and linkages; situation audit; mission statement, goals, and objectives; strategy development; and implementation.

Formality

A formal strategic planning process emphasizes methodological steps, rigorous analyses, and documentation in developing a strategic plan. Accordingto Olsen and Eadie (*8*), "Perhaps the major fault found with the formal strategic planning process as it is often described is its abstraction, its loss of touch with the realities of human organizational dynamics." Formal strategic planning has often become merely a planning staff ritual with the result languishing on a manager's bookshelf. According to Ferris (*9*), the process should focus on key issues, establish a dialogue, and develop strategies rather than adhere to a specific methodology.

It is logical to assume that the scope of the effort should be directly related to the size and complexity of the organization. The large organization is likely to conduct an extensive and formal strategic planning process, consisting of planning staff, consultants, and all management levels, whereas the small organization probably will conduct a less formal process, consisting of brief research and strategy development by a small management team.

Organization and Linkages

The appropriate size and scope of the planning effort and the level of management and policy maker involvement are perhaps the major organizational questions. Whatever the scope of the planning effort, upper management must make a commitment to strategic planning and must actively participate in it in order to provide vision and direction (*2*). It should be understood that strategic planning is not a panacea for management problems, as many management tools have been promoted in the past.

Task forces or planning teams are an important part of the planning process. The teams should consist of management and staff and other stakeholders as needed. The chairpersons of such teams should be persons responsible for the areas under consideration and should have expertise in them (*10*).

Sorkin et al. (*11*) state that local governments must look beyond their own resources to ensure the best possible future. Strategic planning is an excellent vehicle for public/private partnerships and for concerted action on community problems and issues. The scope of the effort must be explicit and communicated throughout the organization. The focus should be rather narrow, so that only a few critical issues are addressed. The geographic area of analysis may need to be greater than a particular service area because various threats to the organization, as well as the resources of the organization, may be located outside the service area.

A fairly detailed work plan and budget need to be developed in order to tailor the effort to the scope and resources of the organization (*12*). The work plan must outline who will do what and what personnel are available. The plan should recognize the existing responsibilities of management and staff. Strategic planning should not be placed as an extra burden on fully used personnel. The resources should be available to conduct the process on an ongoing basis. Personnel objectives, appraisals, and compensation must be directly related to the conduct of the process.

Situation Audit or Environmental Analysis

According to Steiner (*2*), the situation audit is an analysis of past, present, and future and provides the base for pursuing the strategic planning process. The objective of the situation audit is to identify and analyze the major trends, forces, and phenomena that may impact the development of strategies. Each organization should identify what is of consequence in the environment. Decisions must then be made as to the depth and detail of the analysis. Olsen and Eadie (*8*) believe that understanding the external environment is the most challenging step in strategic planning.

The situation audit may first consist of the environmental scan, which identifies a handful of critical issues through a broad view of the organization's environment, both external and internal. The environmental scan analyzes the past and the present and attempts to look at the future. Many organizations omit the environmental scan entirely when the critical issues are apparent (*11*).

The analysis of the external and internal environment is a more detailed and focused look than the environmental scan. The analysis requires an examination of an organization's strengths, weaknesses, opportunities, and threats. Strengths and weaknesses are internal factors, whereas opportunities and threats are generally external.

The internal analysis factors are controllable. The analysis or audit must be objective in listing the strengths and weaknesses of the organization. The critical analysis issues are financial viability, quantity and quality of programs, managerial and organizational effectiveness, condition of physical facilities, productivity of human resources, technological capability, and marketing effectiveness (*4*).

External forces are not controllable by the organization. The significant external environmental forces are economic, demographic, social, political, technological, and legal. The external environment also consists of competitors, clients, special interest groups, and funding sources. The analysis of the external environment should have a "futures orientation" (*11*). Many firms that have implemented strategic planning use both quantitative and qualitative techniques of forecasting. The complexity and unpredictability of an organization's environment determine the formality and sophistication of the forecasting (*8*).

Task forces are often used to conduct the situation audit within an organization. The members may consist of organization staff, consultants, volunteers, and members of interest groups. Outside "experts" may be more knowledgeable about sources of information and more attuned to the environmental trends and the implications of those trends.

For many organizations a global approach to situation audits may not provide sufficient detail to revise missions or to develop effective strategies. A program-specific or portfolio approach uses the technique of positioning each program on a matrix. A variety of matrices or arrays have been developed and used in analyzing portfolios. David (*1*) provides an extensive survey of these techniques.

Wheelwright (*13*) believes that most strategic management/planning efforts fall on a continuum between a portfolio approach and a value-based incremental approach. A value-based incremental approach assumes that the values and beliefs of management and staff in an organization are more important to setting long-term direction than the actions of competitors and the structure of markets. Wheelwright (*13*) states that one problem with today's strategic management/planning systems is that they are

> . . . considered an objective, analytical, data-based area where evermore systematic analyses . . . will reveal the most appropriate strategy. What is missing is full recognition of the subjective nature of these techniques and the role of organizational values and commitment as a basis for strategy.

Mission Statement, Goals, and Objectives

The comparison of internal strengths and weaknesses with external opportunities and threats provides the basis for the appropriate mission. Once the mission is developed, specific goals and objectives must be formulated that enlarge and clarify the mission.

McConkey (*4*) states that any organization's development of a mission requires the proper answering of three major questions: "What is our present purpose? How will the future impact on our present purpose if we make no changes? What should our purpose become?" Effective mission statements always proceed from the needs of clients and from conditions in the environment to management's response to the clients' needs. According to Steiner (*2*), missions should be stated in product and market terms. Without a marketing perspective in the mission, goals, and objectives, there is a lack of direction in the provision of service and a weak basis for strategies, even strategies that deal with financial difficulties (*14*).

Missions should also account for the organization's values and legal mandates. According to David (*1*), "A mission statement is a declaration of an organization's reason for being . . . and reveals the long-term vision of an organization."

There is no one technique for developing missions, goals, and objectives. Their development is often assigned to task forces, but management and policy makers must be involved. Mission statements are most often expressed in broad, general terms, whereas goals are more specific and objectives are stated in terms of measurable results.

Strategy Development

Strategies are the actions that define how the objectives are to be achieved. The marketing orientation continues throughout strategy development and may involve the use of the marketing approach called segmenting or positioning. Segmenting means differentiation, that is, how an organization makes itself different in order to gain an advantage. An organization may segment its market in terms of users, geography, demography, delivery systems, programs, and services. By segmenting its market an organization can formulate strategies that establish advantageous niches (*4*). Thus, strategies are best developed by key individuals who are familiar with the external environment.

Brainstorming is often used as a means for generating new strategies and scenarios. Scenario development provides a sequence of events that should lead to accomplishment of the objectives. Strategies should then be evaluated in terms of cost, personnel requirements, agencies and organizations involved, time frame, impact on the environment, and legal implications (*11*). Nutt and Backoff (*15*) provide an extensive survey of strategy development techniques.

It is important to review the chosen strategies to ensure that they are acceptable and do not conflict. A stakeholder analysis may be necessary to identify parties "who can affect or are affected by the strategy to be introduced" (*15*). Parties with a direct interest in the strategy may respond to the strategy in ways that may affect the implementation. Resources may have to be allocated and tactics developed to address the concerns of stakeholders.

Implementation and Monitoring

Implementation is another of the crucial steps to successful strategic planning. Although strategy formulation is an intellectual exercise by relatively few individuals, implementation is operational in nature and involves skills in coordinating, managing, and motivating many individuals (*1*).

Successful implementation of strategic plans in the private sector has been accomplished with linkages to the budget cycle (*11*). Strategic planning is a resource allocation tool and the implementation of the resource allocations can be accomplished through the budget planning process. Steiner and Miner (*16*) also emphasize the importance of this linkage to the annual budget as "the most universally used and central basis for translating strategic decisions into current actions." Galbraith and Nathanson (*17*) point out that in addition to resource allocation processes, the evaluation and reward systems, human resources, and career development are also involved in effective implementation.

According to Lamb (*18*), human resource factors are perhaps the most critical to implementing strategies. Too many organizations have failed to carry out strategies because the wrong people were in charge, priorities were confused, and the chief executive did not lend weight to the strategic plan or did not institute the proper rewards for management and staff.

Because of the cooperative efforts of various individuals and interest groups in public-sector strategic planning, an implementation plan is required to define the responsibilities for implementation (*11*). It is not necessary to develop a formal planning document, but it is necessary to document the actions that must take place. The plan would specify the actions, the sequence of actions, and the timing of actions that would be assigned to individuals. Such strategic actions would be factored into management's objectives. Thus, program planning and budgeting techniques, performance management systems, scheduling techniques, and communications networks are used for strategy implementation.

The implementation plan would also specify any organizational changes that would be needed to implement the strategies (*8*). According to a TRB video on strategic planning, organizational change must be managed; it involves developing a clear picture of the desired state and moving an organization through the transition (*19*). Actions to motivate change include identifying dissatisfaction with the current state, building in broad participation in the process, rewarding the desired behavior, and providing time and opportunity to disengage from the present state.

The final task for strategy implementation is the monitoring of progress and the comparison of accomplishments with strategic objectives. An additional responsibility of the monitor is to periodically rescan the environment so that the planning process can react to any unforeseen circumstances (*11*). The person or organization responsible for monitoring should keep track of the resources and time expended as well as changes in the key personnel and their responsibilities. The monitor must also determine if the resources have been adequate for implementation and must convey the findings to management.

Fielding notes that the monitoring and measuring of performance constitute the difference between strategic management and merely supervising operations (*20*). A few indicators that track performance over time can be useful for evaluating results of strategy implementation. Many transit properties assess performance in terms of ridership, but a more balanced assessment using three performance concepts—cost efficiency, cost effectiveness, and service effectiveness—is needed (*20*). Service input, output, and consumption data are used to measure these concepts.

If measurement of agency performance indicates the need for corrective action, management can implement new programs or modify programs to improve performance. Renewing the strategic planning process is clearly appropriate when environments change, because entirely new strategies may be required.

TRANSIT PROPERTY CASES

The transit properties chosen for the case studies are indeed a diverse lot in terms of the selection criteria. The factors prompting strategic planning and the cases' experiences with strategic planning differ as well. The cases are described briefly in the next sections.

AC Transit

The Alameda/Contra Costa Transit District (ACTD) operates bus services in western Alameda and Contra Costa counties, California, and provides transbay services to San Francisco and Palo Alto. ACTD bus service consists of 106 local feeder, 6 express, and 17 transbay lines, using 872 buses. The property employs approximately 2,000 people.

A performance audit in 1984 cited a need for strategic planning given the anticipated rapid growth in transportation demand in the Bay Area and continued local federal funding constraints. The general manager made an organizational commitment to strategic planning and the first Strategic Development Report was issued in November 1986. Since then, financial crises and four general managers in 3 years have resulted in uneven support for strategic planning and strategy implementation.

New Jersey Transit

New Jersey Transit (NJT) is a statewide public transportation agency that, through three subsidiaries, operates bus and rail systems: 2,624 buses, 10 commuter rail lines, and a light-rail line. NJT as a whole employs approximately 7,500 persons.

In 1985 the management of NJT was concerned over future direction and expansion of services to meet rapid growth in the state. NJT began its strategic planning process by hiring a consulting firm in January 1985 to conduct a 3-day retreat for NJT managers. After the first retreat the strategic planning process consisted of the rail and bus subsidiaries' development of business plans, completed in May 1986. Implementation of the plans, dependent only on informal commitments and individual initiative, has been limited.

Port Authority Transit

The Port Authority of Allegheny County Transit (PAT) serves the city of Pittsburgh and surrounding Allegheny County, Pennsylvania. PAT employs approximately 3,000 people and operates a transit system of 932 buses and incline and light-rail transit.

A committee of the Pittsburgh Chamber of Commerce first recommended strategic planning to PAT in 1984 because of fundamental changes in the local economy and in transportation needs. The PAT board of directors announced a set of seven goals in June 1984 to guide the first strategic business plan, which was completed in March 1986. The second strategic plan and business plan were completed separately in late 1987. Implementation and monitoring of the second plans continue.

Seattle METRO Transit

The Municipality of Metropolitan Seattle (METRO) is an agency of metropolitan government that serves all of King County, Washington, including the city of Seattle. METRO has responsibilities for capital programs, water pollution control, and transit. METRO Transit employs approximately 3,200 people, operates a system of 1,226 diesel and trolley buses, and manages programs for the elderly and handicapped, as well as providing vanpooling and carpooling services.

METRO Transit underwent rapid growth in ridership in the 1970s, but in the early 1980s it faced declines in ridership and diminished financial resources. In 1985, the management of METRO Transit recognized a need for change in thinking, strategies, and organization. METRO Transit embraced a "market driven approach," including a market strategy development process, and by the end of 1987 issued three market strategy reports. The development of strategies continues and is being incorporated into the long-range planning process.

Utah Transit

Utah Transit Authority (UTA) serves the cities of Provo and Orem and the counties of Salt Lake, Davis, and Weber. UTA employs approximately 850 people and operates a transit system of 391 buses, coordinates a carpooling program, and works with various social service agencies to provide transportation to the elderly and handicapped.

UTA was one of the first transit properties to try comprehensive strategic planning. The UMTA regional administrator in the early 1980s was instrumental in guiding UTA toward strategic planning because of the expected reduction of federal funds for local transit operations. The strategic plan for UTA was completed in December 1984 and has been implemented. The mission, goals, and objectives were updated in late 1987.

ANALYSIS OF CASES

All of the cases organized planning staffs and upper management to conduct strategic planning, followed methodological steps, and documented their planning efforts. At PAT, METRO Transit, and UTA, upper management, including the general manager, was committed to and actively participated in strategic planning. At ACTD and NJT, upper management commitment and participation were more casual. All of the cases except NJT prepared a strategic plan or formal planning document. None of the cases emphasized rigorous analyses other than some travel forecasting, market research, and budgeting.

The role of the board of directors in strategic planning varied among the cases. The boards of ACTD, PAT, and UTA oversaw and periodically reviewed the processes. The other boards were merely informed of the effort and of the expected results. All of the cases involved other government officials or members of the public, or both, in an advisory committee to provide input.

The cases did not use task forces other than the management teams. They all relied on planning staffs to attend to operational details. Because strategic planning was new to all of the cases, there was a tendency for each to rely primarily on a management team with the understanding that the approach would become more participatory, if the initial attempt was successful. The cases' involvement of the private sector in strategic planning was limited to the use of consultants to facilitate strategic planning and to the establishment of some private-sector advisory groups after plans were completed.

From all of the cases except ACTD the response was that the resources were sufficient, but the time spent on the process was greater than originally planned. In all of the cases it was apparent that intraagency communication could have been improved. One interviewee observed that information is power and is thus rarely shared. Yet, all agreed that communication of the need for strategic planning, the process of strategic planning, and the impacts of strategic planning is necessary for organizational acceptance.

All of the cases incorporated some strategic planning tasks into the objectives of planning staff personnel. The managers at PAT, METRO Transit, and UTA had objectives for strategic planning or strategy implementation, or both, whereas managers at ACTD and NJT did not. All of the cases had intentions of adding strategic planning objectives to more management and staff personnel in the future.

It appeared that all of the cases did a thorough job of analyzing the external economic, political, developmental, and demographic trends, those factors that are generally not controllable. Management personnel at all of the case properties except METRO Transit identified their strengths, opportunities, and threats. The internal analysis factors, particularly the weaknesses, were not extensively analyzed or at least were not extensively addressed in any of the cases' planning documents. One interviewee speculated that perhaps in all of the cases there was a fear of pointing out the internal weaknesses of the organization in a public document. The cases did not use forecasting techniques; all of the cases except PAT developed alternative scenarios and then selected the most probable one for strategy development. NJT used a portfolio approach to analyze the environment and evaluate services and was apparently satisfied with the results.

Through strategic planning all the cases have established a new organizational emphasis on marketing, often downplaying the traditional mass transit products in their mission statements. All of the cases based the development of mission, goals, and objectives on a previous or concurrent analysis of the environment; PAT's board of directors established goals before the start of strategic planning. Each case expressed its mission, goals, and objectives similarly and in broad, rather general terms. Only UTA had objectives stated in terms of quantified targets.

All of the cases developed strategies to confront situations of declining or stabilizing ridership along with declining financial support. The strategies that were developed generally emphasized increasing ridership in a cost-effective manner with efficient use of resources. Strategies and programs were developed to provide various new mass transit technologies, enhance computerization of operations, increase financial support, increase market research, contract with private providers of transit, increase paratransit services, establish more control over land use decisions in service areas, and imbue the organization with a sense of mission and service to the public.

None of the cases used any formal method of strategy development other than brainstorming based on judgment and intuition. The cases did not use defined criteria for any formal evaluation of the strategies. Generally, management developed strategies that were in their judgment practical and appropriate.

Two cases, ACTD and UTA, reorganized after having planned strategically, whereas NJT did not reorganize as a result of strategic planning. Organizational change occurred before strategic planning at PAT and METRO Transit. The cases that reorganized did so to improve marketing and budgeting procedures in support of strategy implementation.

All of the cases attempted strategy implementation by development of programs in the program planning process. All of the cases except PAT had not developed a strong link between the program planning and budgeting processes and acknowledged this situation as a major limitation of their strategic planning efforts. The budgeting of programs often depended more on political realities and crises of the moment rather than on long-term strategy. Among all of the cases strategic planning was thought to instill strategic thinking, at least informally, into the program budgeting process.

At PAT, METRO Transit, and UTA some management and staff had implementation objectives and, subsequently, were evaluated on their performance. Programs were usually assigned to the staff unit with obvious responsibility in a certain area. NJT and ACTD did not impose implementation objectives on their personnel.

Strategy implementation by PAT was the most direct and certain because of strong management commitment and participation; strong links between strategy development, program planning, and budgeting; and formal implementation objectives, appraisal, and compensation. Implementation at METRO Transit and UTA was somewhat less direct and certain because of weaker links between program planning and budgeting. The implementation of strategies by NJT and ACTD was relatively restrained and tentative because of management's relatively casual commitment and participation; weak links between strategy development, program planning, and budgeting; and no formal implementation objectives.

All of the cases except NJT had established or were establishing progress reporting systems to indicate levels of program implementation. These cases were also attempting to develop measures or indicators for use in monitoring agency performance in meeting objectives. Some interviewees acknowledged that existing measures were too nebulous to measure agency performance or were not related to strategic programs. UTA, which had the only objectives with quantified targets, also had not yet developed performance measures. Only PAT and METRO Transit had designated groups and procedures for periodic monitoring of the environment.

Without appropriate measures in place to monitor agency performance, it is difficult to discern from the case studies the benefits of strategic planning. Strategic planning has long-term impacts and the cases have had relatively short-term experiences with it. However, the management interviewees did attribute certain benefits/strengths and weaknesses to their processes.

The resident strategic planning consultant for ACTD believed that strategic planning brought up certain key issues to management that must be resolved, if long-term financial stability is to be achieved. Management agreed that strategic planning should determine the direction of ACTD, but direction is currently determined by allocation of resources based on crises and political pressure. The consultant concluded that if strategic planning had received a stronger, earlier commitment by upper management, perhaps much of the current financial and managerial instability may have been avoided.

At NJT the strategic planning manager thought that the principal benefit of strategic planning is that a framework for developing the mission and for assessing the environment, history, services, stakeholders, and financial situation has been incorporated into the organization as a way of thinking and managing. On the other hand, the organization of the process and the level of commitment by top management to it may have been sufficient for environmental assessments and for strategy development but insufficient for comprehensive implementation of strategies. Given the major new initiatives on future services, a strong link between strategy development and implementation will be essential.

The perception of the planning director at PAT was that strategic/business planning has been a beneficial process that has allowed management to take greater control of PAT's direction and progress. The decision making for the programming and budgeting processes is more strategic and less operational. The plans are an excellent communicator of the organization's sense of purpose—its goals and objectives—among its own personnel, other agencies, and the public.

According to members of the planning department, the major weaknesses have been the lag in implementation of some programs, particularly those of managers without previous planning experience; the insufficient time budgeted for the process; and the hesitancy of some managers to suggest programs for which they would become responsible.

According to the superintendent for planning at METRO Transit, the benefits of the market-driven approach and strategy development are that the organization is better able to serve changing markets and to evaluate and improve existing services. The organization is now more systems-oriented and has embraced experimentation. Long-range planning, marketing, and policy and program planning are incorporating strategy development.

Some staff felt that there was insufficient communication during the reorganization and subsequent strategy development process, leading to some organizational and emotional upheaval. According to both management and staff, METRO Transit as a whole has adapted well over time to the reorganization and new market-driven approach.

The general manager at UTA believed that the strategic plan provides a sense of direction or purpose, "a map of the future," and a focus or benchmark for policy and program evaluation. Strategic planning has led to a more aggressive pursuit of public/private partnerships for the provision of new services.

According to one director, strategic planning at UTA has been an excellent communication tool. An orientation to people—employees and riders—has been built into the process. One major weakness is that strategic planning has placed some constraints on innovative ideas that were not covered in the plan. Also, because UTA was "fatigued" by the end of the process, management did not place enough emphasis on implementation and monitoring.

CONCLUSIONS AND RECOMMENDATIONS

It is clear that there are many different ways in which strategic planning can be accomplished. The operational details and the level of formality in terms of organization, analysis, and documentation certainly vary among the cases. A strategic planning process should focus on key issues, establish a dialogue, and develop strategies rather than adhere to a specific methodological approach. However, there should be a framework to the process, an orderly procedure of commonly accepted elements or steps.

Mere adherence to a process certainly does not guarantee success in developing and implementing strategy. All of the cases had some problems with strategy implementation and monitoring. Based on the literature and case studies, the authors have concluded that the following factors are important to completing a process, developing and implementing strategies, and achieving benefits from strategic planning:

- Upper management, particularly the general manager, must make an early and serious commitment of time and resources to the strategic planning effort. Management must organize and actively participate in the process to lend it the credibility and the direction that only management can give.
- The development and refinement of the mission, goals, and objectives should be based on a careful situation audit of the environment.
- Management must understand the strengths and weaknesses of the organization and the opportunities and threats in the external environment.
- The establishment of mission, goals, and objectives should emphasize a marketing perspective.
- The objectives should be stated in quantitatively measurable terms so that agency performance can be compared to the objectives.
- The marketing perspective should continue through the strategy development process. Thus, transit properties should develop strategies that establish advantageous market niches that are compatible with organizational values.
- Strong links should exist between strategy development, program planning, and the budget cycle (implementation plan), so that strategies receive the resources needed for implementation. Successful strategy implementation requires designated "strategy champions" who have responsibilities, objectives, and incentives to implement.
- During the organization of the planning process, a planning staff should be made responsible for monitoring the progress of programs and agency performance in meeting strategic objectives. Indicators should be developed that can be used to measure efficiency and effectiveness of transit services. The planning staff should plan to periodically monitor environmental change.

Based on the conclusions, the authors recommend the following general framework to a strategic planning process:

1. Organize a management team and strategic planning staff. Management should make a commitment of resources and time to develop a process and to participate in it; a planning staff, either formally or informally organized, is needed to assist management in developing a process, to gather information on the environment, to develop agency performance measures, and to monitor performance and the environment.
2. Conduct an environmental assessment/situation audit; determine the strengths, weaknesses, opportunities, and threats. The planning staff gathers information on environmental trends; input from a technical advisory committee on significant trends and sources of information would be of benefit.
3. Establish mission, goals, and objectives. The management team, using information from the environmental assessments, states the mission and establishes goals and measurable objectives.
4. Develop broad strategies. The management team with staff input develops strategies to position the organization to deal with the changing environment.
5. Establish programs and budgets to implement broad strategies. The management team and staff conduct program planning; "strategy champions" are assigned responsibilities to conduct programs.
6. Monitor implementation of strategies using appropriate measures. The planning staff uses measures to evaluate strategies and provides results to the management team. If results do not meet objectives, the management team modifies programs or returns to Step 5.
7. Monitor environment and conduct a situation audit. The planning staff periodically scans the environment to denote the latest trends; the management team decides when to return to Step 3.

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