



SUBJECT: An integrated approach - enterprise business planning and portfolio management

TO: Corporate Services, Strategy, Risk & Accountability Cttee.

FROM: Corporate Strategy

Report Number: CS-11-23

Wards Affected: All

File Numbers: 155-03-01

Date to Committee: June 26, 2023

Date to Council: July 11, 2023

Recommendation:

Receive and file corporate strategy report CS-11-23 providing an overview of the City of Burlington's integrated approach to support efficient and effective prioritization and planning of corporate programs, projects, initiatives, and resources.

PURPOSE:

Vision to Focus Alignment:

- Building more citizen engagement, community health and culture
- Deliver customer centric services with a focus on efficiency and technology transformation

Background and Discussion:

Evolving our Organization

Over the years, the City of Burlington has made significant changes in how it manages its operations for the present and the future. In making these changes, Council and staff continue to confirm their sense of pride in their local government and in the services they deliver, and the outcomes achieved. The changes created a high level of confidence, then and now, the city is well-managed, forward-looking, and responsible as it provides high-quality service delivery resulting in satisfied customers and a high quality of life.

In 2013, the introduction of service management brought a comprehensive framework to the City to support business planning, service performance, continuous improvement, and budgeting. Through this initiative, the City defined its services to re-focus its investments on these services through the customer lens, instilling performance measurement and continuous improvement as keystones for accountability (CM-07-13). The implementation included the development of service business plans and service objectives for each service and laid the groundwork for service-based budgeting, initially introduced in 2015 and still in place today.

In 2015, Council endorsed the move to a 25-year horizon for strategic planning producing Burlington's Strategic Plan – [Vision 2040](#). The Strategic Plan has four key strategic directions and sets out the aspirational goals for being A City that Grows, A City that Moves, A Healthy and Greener City, and An Engaging. These strategic directions are the City's north star – guiding all of the actions and decisions of Council and staff.

In 2019, the City introduced 2018-2022 Burlington's Plan: From Vision to Focus (V2F) as the shorter, defined period plan to define the initiatives needed to accomplish the priorities and goals of the current Council – all aligned to the 25-year strategic plan. In V2F, top priorities and key actions were identified to provide guidance to staff on those initiatives critical to advancing the City's progress towards achieving the aspirational goals in Vision 2040. The initiatives in this shorter, defined period plan are monitored and reported on to track the progress and see the outcomes are achieved.

Also in 2019, the City Manager completed an organizational structure change to position the City to meet our strategic goals, outlined in Council's 4-year work plan Vision to Focus (V2F), over the balance of the term of Council and beyond. This major change has been followed by other organizational changes to adjust and adapt to the changing landscape, whether those changes are people, process, regulation and/or technology.

In 2021, staff introduced service information sessions for Council and enhanced its multi-year budget forecasting/simulation. The outcome of these two improvements has led to more informed decision making and a greater understanding of the opportunities and challenges in our service delivery and financial sustainability.

These changes are but a few of the on-going improvements made in city operations. Yet they highlight the growing maturity of the city in evolving our organization.

Corporate Initiatives and Daily Operations

Between the service business plans detailing customer expectations and existing service delivery and Vision to Focus highlighting key actions and initiatives, there is significant work performed every day.

The onset of the pandemic in March 2020 and the shift to working from home (for part of our workforce) for the better part of 2 years had a significant impact on human resources as staff found themselves and their families working, living, and schooling in ways they had never imagined. There was not one department or service area that did not feel the effects of the openings, closings, and multitude of changes. Health and safety policies and protocols, service delivery and other policies were continually reviewed and adapted to the changing legislation and regulations.

In 2021, the City's leadership team recognized the pace and scope of work was continuing to be an issue for many staff and took the steps to help alleviate this problem and the work fatigue many staff were feeling. Establishing the priority of corporate initiatives and actions, among the day-to-day service delivery activities, was key to managing the stress associated with the lockdowns, the health and safety concerns, the work from home situations, and the ever-changing workloads. In June 2021, the Strategy & Risk Team (SRT) made decisions about resource capacity as well as sequencing and timing of corporate initiatives and projects. This work was important to align the necessary and available resources and ensure budget integration for the implementation of all corporate work. The results provided management and staff with direction as to where to focus efforts in the ever-changing environment. This work began the journey to close a gap in prioritization and sequencing of work and resulted in the formalization of an enterprise business planning and portfolio management process.

Strategy/process/risk

Embedding Service Management and the enabling business practices (business planning, performance management, service based budgeting and V2F corporate work planning) into our way of doing business has laid the foundation and prepared the organization for a more advanced approach to corporate business planning. Without these business practices it would be difficult to bring the entire organization into one common enterprise business planning system.

What is Enterprise Business Planning and Portfolio Management?

Corporate portfolio management is a process to align strategic plans and objectives to the organization's work by taking stock, strategizing, and making decisions collectively from a corporate view. This process is one of the ways in which to mitigate the number one risk in achieving the aspirational goals of Vision 2040: the lack of prioritization/alignment of projects/initiatives/plans. The outcome is the shared decision making for

building a plan to meet the organization's objectives and coordinate the best approach to accomplish the organization's work collectively.

A deliverable of this process is a corporate work plan defining what needs to get done and by when and aligns and coordinates across multiple departments while considering resource capacity and timing.

The Strategy and Risk Team (SRT) is the process owner and sponsor of enterprise business planning and portfolio management (hereafter referred to as Enterprise Portfolio Planning (EPP)). EPP brings a new holistic way to incorporate factors and interactions into our planning to create the best possible outcomes. This new process will analyze the current and future inventory of long-range plans, implementation plans, corporate initiatives, and major projects to understand factors such as resource capacity, strategic long-term vision alignment, and financial impacts. The deliverable is a multi-year corporate workplan, integrating Vision to Focus, to ensure the organization is working together to achieve the long-term Vision 2040.

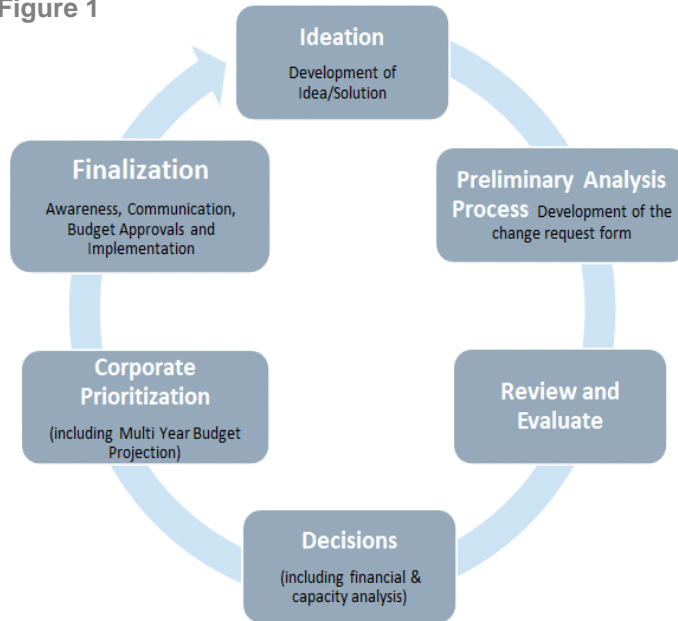
EPP will support SRT with corporate planning and decision making about project/initiative prioritization and execution; taking a big picture perspective of the interactions, impacts and performance expectations collectively across the organization. This approach will help inform Council and the organization on the priority work being executed, with the objective of reaching the long-term visionary goals.

Using EPP, the initiatives and projects integrated into V2F will have been strategically chosen based on resource capacity, financial analysis, stakeholder impacts, change capacity, and project sequencing. With this process, management and staff throughout the City will be able to align their capacity to deliver both day-to-day service operations and corporate projects/initiatives.

How does EPP work?

EPP is an iterative process (refer Figure 1) to promote strategic conversations, business planning, and decisions around business needs first before asking for budget in the annual budget process and on an as-needed basis.

Figure 1



The process has been designed to be scalable to allow projects of diverse sizes and complexities to move through efficiently and to avoid any unnecessary “red tape”. It ensures that partnerships and stakeholders are properly defined and engaged to help prevent over-allocation of support services, like Human Resources, Digital Services and Legal Services while also encouraging cross-functional collaboration during design and implementation. The process incorporates review by the newly established Digital Architecture Review Panel, and completion of Privacy Impact Analysis safeguarding important oversight in project assessment.

Projects will be prioritized using a pre-established prioritization matrix that includes evaluation criteria as outlined:

- Alignment to Strategic Plan or Vision to Focus
- Respond to Regulatory Requirement
- Address Growth in Assets
- Improve Service Delivery and Performance
- Enhance Value to Customer Experience
- Enhance Employee Experience

Once prioritized, projects will be put through a work planning method taking into consideration proper sequencing, staff capacity, financial capacity, change and risk management. The new prioritization and work planning practices offer an opportunity for forecasting budget and project planning over multiple years.

The cadence of this process has not yet been fully finalized, yet it is anticipated to be required multiple times a year, particularly in preparation of the annual budget. There will also be a process path ensuring the review of projects requiring expedited review turnaround time be reviewed and prioritized quickly, keeping the organization nimble in responding to change and opportunity.

The greatest benefit to the implementation of this process is that the corporation can better plan for the allocation of its staff and financial resources. Proper workload management will enable the organization to have time to design and experiment with solutions, ensuring solutions implemented are of the highest quality and meet the needs of our customers. Workload management also drives staff engagement and a positive work environment. Proper sequencing and alignment of work creates efficiency avoiding duplication of efforts and prevents collisions in efforts across project teams. Coordinated work planning will ensure initiatives are completed and their benefits properly sustained.

Examples and classification of the types of requests included in EPP are project and initiatives to:

- Sustain current city services
- New staffing resources and structure requests
- Legislative changes with staffing / financial impacts
- One-time request (e.g., Burlington 150, Forestry aerial spray, etc.)
- Enhancements to city services
- New recreational program offering
- New staff complement to support revitalization of a facility
- New long-range plans as well as the supplementary implementation plans and staffing impacts
- Transform city services
- Major IT projects (e.g., CRM, ERP, EAMS, AVL, etc.)
- Organizational Redesigns (New By-Law Compliance Department)

With the development of both the long-term Vision 2040 and the corporate workplan V2F, it is important to consider a way of linking these plans beyond annually to best understand the organizational resource impacts long term (such as assets, human capital, and financial resources). The EPP supports a multi-year budget process as it provides a system of recalibration, assessment, and flexible allocation for the short-term and the long-term horizon. It also provides SRT with an opportunity to assess options of funding throughout the year, within the annual budget process and for a multi-year plan. It helps prevent the risk of siloed financial and project planning by directing request for projects and initiatives such as and including technology assets, human resources, operational funding, project implementation funding through a one stream process.

Responding to Staff Direction [\(F-01-23-1\) Item 16](#)

In February 2023 as part of the budget deliberations and decisions, Council approved the motion memorandum to:

“Establish an Innovation & Transformation Fund by adding \$1 million to the 2023 Budget. The objective would be to accelerate achievement of corporate strategic objectives and embed process improvement and related technology integration solutions/practices and learning into the fabric of the organization; and

Direct the City Manager and Chief Financial Officer to report back on the governance structure to administer the allocation of funds based on to be established criteria, a reserve fund by-law, and any other matters related to accelerating achievement of corporate strategic objectives by Q2 2023.”

This report addresses the requirement to report to Council the governance structure to administer the allocation of the innovation and transformation fund.

The allocation and use of the innovation and transformation fund in any given year will be the responsibility of SRT as part of their overall decision making in prioritization and more specifically work planning . As a reminder, SRT is composed of the City Manager and all executive directors for a total of nine people participating in the decision-making process.

In addition to the above-noted criteria, the use of this specific funding source will include:

- Quick wins,
- Transformational change,
- Agile and/or experimentation approach,
- Continuation of an improvement initiative, and
- Funding amount required.

Monitoring & Reporting of Corporate Projects/Initiatives

Regular quarterly reporting of the status of corporate initiatives is in place. To enhance this process, prioritization, and sequencing decisions in the form of the multi-year plan can be provided to Council through this reporting. As additional projects are implemented, their status will be included in this regular reporting. In addition, this process can easily be extended to include reporting of the allocation and balance of the Innovation & Transformation Fund to Council.

Options Considered

Option 1

Discontinue embedding the EPP into the organization and continue with the status quo. The risk to the organization would continue with a lack of enterprise resources planning and lack of project and initiative prioritization. Staff continue to be frustrated with a list of “to do” projects and initiatives that have not taken into consideration, resource capacity impacts or sequencing or without the clear direction on what is the priority to work on is. This option is not recommended.

Option 2

Continue embedding and evolving the EPP into the organization and align related processes. In addition, the recommendation would be to view the new EPP as an evolving process that overtime will improve and adjust (this could include the use of a technology system to administer the process and assess/evaluate the projects). The realized benefits of creating a process/system to prioritize work, align resources and create a plan to achieve long-term goals far outweigh the short-term impact of the workload require to adopt and become proficient in a new enterprise process. This option is the recommended approach.

Financial Matters:

The design of the EPP has been accomplished within the operating budget of all groups involved: Finance, Corporate Strategy Team, and Burlington Digital Service. Funding for implementation will also be provided through operating budgets. As further enhancements and technological support are required, funding and project plans will be considered and reported back to Council.

Engagement Matters:

Over the past 2 years, three areas of the organization have been involved in this partnership to design and develop the EPP under the sponsorship of SRT. A working group of staff from Digital Service, Corporate Strategy and Finance have been steering the project. Active consultation, feedback and collaboration has occurred mostly with SRT. SRT contributed to the design, provided feedback and evaluation, and participated in two experiments to practice using the process. The Burlington Management Team (BMT) was provided two overall introductory and awareness presentations to provide comments and feedback. A smaller group of BMT members was established to provide more specific feedback for the submission form (Change Request Intake Form) and the

process overall.

Conclusion:

Moving forward with embedding the regular practice of Enterprise Business Planning and Portfolio Management will provide an enterprise workplan that considers and makes decisions based on resource capacity planning, financial resourcing, appropriate project sequencing. This new process, along with the many other business practices deployed over the years, better position the organization to achieve long-term strategic goals.

Respectfully submitted,

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Report Approval:

All reports are reviewed and/or approved by Department Director, the Chief Financial Officer, and the Executive Director of Legal Services & Corporation Counsel.