

## Take the Lead

A good strategic plan can guide your association to unqualified successes. If you don't have one, it's time to take the first step.

*By Steve Bates*

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The Tellico Village Property Owners Association in Loudon, Tenn., could teach a graduate school course in how strategic planning is done by homeowners associations. Community leaders enjoy a tremendous amount of property owner involvement in committee work and long-range planning. They benchmark their community against competitors and study demographic trends in their region.

Their strategic plan features short-, medium- and long-range projects, all under the umbrella of a 20-year strategic vision. As a result, "We don't usually get surprised by something," says Joe Marlette, association board president. But no one could predict the pickleball craze.

Pickleball—a game played with hard paddles and a plastic wiffle-type ball on a small court—started gaining significant interest among Tellico Village residents about five years ago. Tennis courts were converted for the sport. But homeowner demand continued to surge, and residents asked that some of the planned courts be built indoors. The strategic plan was tweaked to include more pickleball courts, possibly in conjunction with a planned wellness center.

A strategic plan outlines priorities and projects for the immediate future and for years to come. Yet the best plans accommodate revisions as changing circumstances dictate—without conflicting with the vision behind its creation.

"It's a road map," says T. Peter Kristian, CMCA, LSM, PCAM, general manager of the Hilton Head Plantation Property Owners Association in South Carolina.

And like with other maps, there are typically detours and minor changes in the path to the ultimate destination. What makes strategic plans so important is that they identify priorities for immediate projects as well as long-term ones. They help determine what this year's budget will include and suggest what future ones might feature.

They are not pie-in-the-sky dreams of Disney-style monorails and Olympic-size swimming pools on every block, but they are loaded with practical improvements such as parking lots, storage facilities and walking trails.

"This is hands-on stuff," says Kristian, a CAI past president.

## Focused Gains

The strategic planning process has many advantages. It stimulates ideas to make good use of association resources, identifies responsibilities, assigns work, coordinates efforts, reveals obstacles, identifies opportunities and tends to limit decisions based only on today's concerns.

Most associations don't do strategic planning, believes Mark K. Payne of the law firm Winzenburg, Leff, Purvis & Payne in Denver. These communities might not realize how costly that omission can be.

Deborah L. Friend, CMCA, AMS, PCAM, general manager of Riverlake Community Association in Sacramento, Calif., recalls how an association she previously worked for was "constantly shifting gears" because it didn't have a strategic plan. The productivity and effectiveness of association staff were drained by actions that weren't developed in conjunction with what the community needed over time.

When inadequate planning went into a construction project, "it became something that might need to be taken down in a couple of years," says Friend. Inadequate planning is particularly dangerous in communities where board members change frequently, because new board members might lack the guidance that a strategic plan provides.

Friend also worked in communities that planned well. "(In those,) every new idea had to be tagged to an element of the strategic plan. It kept wild project ideas off the table." She urges associations to try to limit plans to just a handful of key items. Within some of those areas, multiple projects are defined.

Many communities lack true strategic plans because their leaders don't think they have the time or resources to do one or to do one right. Another reason is linked to the word "strategic" itself, says Debra A. Warren, CMCA, PCAM, vice president of client relations for community management firm Associa. "The word 'strategic' puts people off," she says. "It's just planning."

Warren, who has been involved with hundreds of strategic plans as a management company executive, recommends that a manager or community leader try to "take the fear out of planning." She says many board members are hesitant to contemplate anything beyond the current budget year—other than items identified in the reserve study.

"There's a fear of the unknown among some board members; they feel that they are creating a really big job for themselves," notes Warren. Many board members have no business experience and think they'd be over their heads in a strategic planning process.

"You have to decide to start, even if you take just a simple first step, even if it's just a one-year plan. Then go for two years, then three," says Kristian. Before commencing work on the plan, "Do surveys; ask your people what's important to them."

Start easy. Start small. If you try to grapple with too much at once, you might get overwhelmed. "You can begin with baby steps," says Payne.

### **Model Plans**

There are two basic models for association strategic plans: the top-down business model or the community planning model.

The top-down business model might be appropriate for some very hierarchical organizations in which leaders have a high awareness of what the community needs and how they should spend resources and protect property values. A danger with this model is that homeowners might feel left out of the process or conclude that their assessments are not being applied according to their priorities.

The community planning model is more bottom up, based on grass-roots input and consensus building. While this is a popular model, in some communities—particularly those with uninformed owners—it might be difficult to gain input and build consensus.

There are three basic components to the strategic planning process: plan development, plan execution and plan review. In all three phases, it's important that the roles of the board, the manager, any committees and the homeowners at large are defined clearly.

Many associations begin the process with mission and vision statements. Neither should be a list of projects to be accomplished. The mission statement explains the organization's purpose; it can feature such principles as serving the community and preserving property values. The vision statement, also broad, provides a picture of what the community will look and feel like in the future. It can project a well-managed community, a place where homeowners' needs are met and a community where residents have a sense of involvement.

A first-time strategic plan can benefit from an outside consultant or facilitator. These help focus the process, ensure that time is spent effectively and allow for many voices to be heard. "If you can afford it, it's great to have an outside facilitator or someone with the management company who is not attached to the property," says Friend.

The first strategic planning process will benefit from a review of all critical association documents and its governance process. A discussion of facilities and infrastructure, financial statements (including the reserve study) and community demographic trends can be useful. Some associations conduct a needs assessment, including an analysis of strengths, weaknesses, opportunities and threats—a tactic used by many businesses.

Resident input is crucial to the community planning model. Surveys are good outlets to start determining needs and interests, but town hall meetings—preferably separate from regular board meetings—are highly recommended too. Residents indicate priorities and suggest projects, and their presence helps build buy-in for whatever strategic plan emerges.

"It makes the board's job a lot easier," says Friend. "And the community knows it's being heard."

Friend urges boards to set aside one or two days to analyze all the input and "to begin to concentrate on the focus items. ... Start to define the short range, the mid range and the long range." Creating the plan "keeps everything consistent. The strategic plan establishes the road map."

Sandra K. Denton, CMCA, LSM, PCAM, general manager of the Sienna Plantation Residential Association in Missouri City, Texas, and a CAI past president, says boards new to the process

should consider reaching out to other associations in their region or to local governments for advice in creating their plans. "It's going to take time to put it together, to get it right."

Strategic planning is a wheel that does not need re-inventing, observes Warren. "It should get easier every year."

### **Ideas in and Out**

Once drafted, share the plan with residents. Some associations post them online. Once feedback is received, the board and manager should develop and prioritize short-term projects and longer-range projects and should consider how and when to fund them. Some programs and changes in procedures that are identified in the strategic plan and that do not cost money can be implemented when convenient.

Experts disagree as to how many years a strategic plan should cover. Some plans range over three years. Some are designed to cover 20 or more, with the assumption that plans for the outlying years are much more tentative than those for the immediate years.

The processes and intervals for reviewing strategic plans vary as well. "This is not a one-time thing," says Payne. "Each year you should sit down and ask: 'What did we do right? What should we change?'"

Hilton Head Plantation does a formal review every year. "Sometimes, (the plan) takes a dramatic turn. Other times, it just takes a tweak," says Kristian.

In these reviews, "Ideas come and go," notes Ruth Southard, board president of BellaVita at Green Tee Homeowners Association in Pearland, Texas. Some well-intentioned, but too grandiose ideas "fall by the wayside."

Warren urges associations to at least "revisit the plan every two to three years," keeping in mind that having such a review "doesn't mean you have to start from scratch."

Communities that don't formally review their plans every year often closely examine short-term components—particularly in the annual budget process. "Take a two-hour block" at the beginning of the budget process, suggests Payne. Identify action items, grab a calendar and determine what to do in each month, he says. "It's planning rather than reacting."

Particularly in communities with a high board member turnover rate, boards and managers might want to set aside time during each board meeting to discuss the status of the plan's goals for the current year.

### **Clear Thinking**

Experts see almost no potential downside from developing a strategic plan. If association leaders fail to disclose such a plan to residents, the result could be loss of faith in those leaders, says Warren.

The upsides are clear. Developing mission and vision statements can help draw residents into association activities. Gaining their input on where their community is going—and how they want to get there—helps build support for the plan and for potential supplemental assessments necessary to implement it.

Sometimes, like with the Tellico Village pickleball courts, the process helps identify needs or desires that board members and managers might not recognize.

Kristian says the planning process at Hilton Head Plantation helped identify the concern residents were having with delays at a community entrance. To fulfill the goal of reducing traffic backups at the gate, the community replaced the manual review of credentials with an automated card system.

Also, residents indicated during the planning process that they wanted to get information about community activities more quickly and effectively—and not just through e-mail. The association purchased a 60-inch outdoor television monitor and placed it at an entrance. The computer-programmed screen displays multiple messages and can be changed frequently and easily. Despite its price tag—about \$25,000 installed—the electronic message board proved so popular that the association added a second at another entrance.

Even a small community should try the strategic planning process, experts say. "It really doesn't depend on size," says Tellico Village's Marlette. Planning doesn't mean you're not going to make mistakes, but it "helps you avoid the mistakes of short-term thinking."

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## Strategic Steps

### Getting Started

- Identify and recruit people who can lead and manage the strategic planning process.

### Vision Development

- Conduct brainstorming sessions, organize input and announce the vision to the community.
- Include feedback and finalize the vision.

### Plan Development

- Create a strategic plan that details values, missions, goals, objectives, programs and facilities.
- Adopt the plan as formal guidance for staff and committees.
- Translate the plan into concrete ancillary plans (capital plans, social or recreation plans, governance and procedures, etc.).
- Translate the strategic and ancillary plans into budgets, staff work plans, committee annual goals and objectives.

### **Periodic Review**

- Revise your plans as committees are rechartered and as budgets are proposed, evaluated and adopted.
- Inform residents of progress, impediments and changes.
- Solicit periodic feedback from stakeholders—especially residents, volunteers and staff who play a major role.

### **Renewed Vision**

- Renew your vision every three to five years to take into account shifting preferences, tastes, needs and demographics.
- Adjust for major internal changes, such as departures of key leaders or staff, that affect your strengths and capabilities.
- Adjust for major changes outside your community, including boom-or-bust cycles in the economy. —*Staff*

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**Resources:** *Best Practices: Strategic Planning*. Members: \$6.95. [Free PDF download available.](#)

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