

A silhouette of an archer in a ready stance, holding a bow and arrow, set against a warm, orange-hued sunset sky. The archer is positioned on the left side of the frame, with the sun low on the horizon behind them, creating a strong backlight effect. The bottom of the image shows dark silhouettes of grass and small plants.

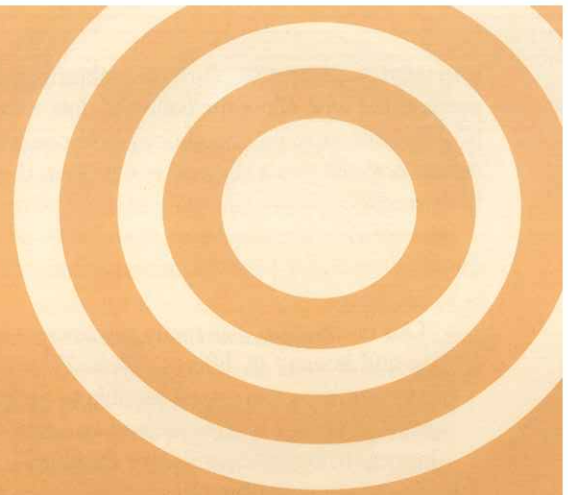
Long Range Planning for Community Associations

HIT

If a goal does not support the mission, either the goal should be dumped or you have identified an adjustment to the mission.

By Thomas L. Willis, PCAM

Thomas is a Vice President at Zalco Realty, Inc. A long time active member of WMCCAI, he has been named Educator of the Year four times, and was inducted into the Chapter's Hall of Fame in 2014. He formed Association Bridge, LLC to provide consulting services to community association and businesses.



THE TARGET

The late motivational speaker Zig Ziglar taught the subject of goal setting by opining on the story of Howard Hill, who won 196 archery tournaments in a row in the first part of the 20th century. He was the guy Hollywood hired to do stunts like splitting one arrow with another in Robin Hood films. Amazing stuff. Mr. Ziglar claimed he was such a talented instructor, he could teach anyone to hit a target with more proficiency than Howard Hill – provided Mr. Hill was blindfolded and spun around a few times. “Ridiculous! How can someone hit a target they can’t see?” To which Mr. Ziglar responded, “That’s very true. Even worse, how can you hit a target you don’t even have?”

It seems so obvious. Have a target, hit a target. Have a goal, reach a goal. Yet how many community associations have clear, measurable goals, much less a plan to achieve them? Shockingly few.

THERE’S YOUR SIGN...

Comedian Bill Engvall made this tag line famous. If you are not familiar, Google it. He will make you laugh. But some signs can make you cry. Does any of this sound familiar?

- “Surprise” major expenses resulting in special assessments, steep fee increases, loans, or any combination thereof.
- Members disenchanted with their community association.
- Endless debate on how the association should spend its money.
- Crisis management becoming standard operating procedure.
- Regrettable history repeating itself over and over again.
- All these may be signs that long term planning is lacking.

HOW DID WE GET HERE?

If it’s so obvious community associations need goals and a planning process, why doesn’t it happen? Through the years, I’ve heard plenty of reasons, none of them good.

- “Our meetings are already 3 hours long. Our agenda is full.”
- “Why should we plan for things that won’t happen until after we are long gone from here?”

- “I’ve been through strategic planning sessions at work. Everybody has great ideas, but nothing ever comes of it. It’s a waste of time.”
- “We are all volunteers here. We just don’t have time.”
- “We have a budget and a reserve study. That’s our plan.”
- “We can deal with it later.”

Failing to plan is absolutely a plan to fail. Ted Ross, WMCCAI Board Member and owner of TRC Engineering, frequently preaches, “The longer you defer a capital project, the more costly the project becomes and fewer options are available.” The same principle is true for any facet of the operation where necessary change is deferred. Waiting for projects or situations to become emergencies is never a good idea. Planning for the future is an investment in time, energy, and money.

WHAT IS LONG RANGE PLANNING?

Long range planning can be defined as the establishment of a strategy to successfully navigate the foreseeable future. The basic planning process will involve 5 key steps.

- 1: Assess current conditions.
- 2: Identify the core purpose of the association.
- 3: Set goals to work towards that purpose.
- 4: Decide what practical steps (“objectives”) will be necessary to reach the goals.
- 5: Establish the plan to regularly review progress and update the plan as needed.

KEYS TO SUCCESS

Thoughtfully selecting the team to take on this project is the first key to success. Each association has to take into consideration the availability of, and commitment to, human and financial resources. Getting a broad range of input is vital. An ad hoc committee including community members can be extremely valuable, especially since the final plan will need community support to have lasting

impact. Leaders who allow the planning group to drive the process and who allow the collected data to tell the story are likely to garner support and succeed. Those who impose preconceived notions about the end result upon the group will destroy both creativity and the integrity of the final product.

Bill Selfridge, the chairman of an HOA ad hoc planning committee, shared why his association took great care to bring diversity to his group,

“Our community has many members who have expertise and interest in different areas. When we established our working group, we were able to assign specific focus areas to people who expressed an interest in and a willingness to be the coordinator those areas. We identified nine areas; everything from governance to communications, to clubhouse administration. We endeavored to take into account the diversity of approaches and ideas and opinions. That sometimes translated into very spirited, but extremely valuable dialogue, resulting in a much sounder plan.”

The person designated to lead planning sessions must be objective, patient, focused, and trusted. Selfridge’s association decided to engage an outside facilitator. He explains:

“We realized that with all the various viewpoints of the work group participants that it was important to provide for objectivity and subject matter expertise through a proven and qualified facilitator to help us maintain focus and work through the rough spots. We also had to agree that the meetings were his show. We found a facilitator who had the industry experience, the countenance, and the people skills that the group could respect. It made a big difference.”

There are many ways to complete each of the planning steps. Here are a few success tips to consider.

Step 1: Assess current conditions

- A “SWOT” analysis is a useful tool. List the strengths and weaknesses inside the organization, and the opportunities and threats that impact, or may impact, from outside the community.
- Collect data from as many sources as possible; reserve studies, inspection reports, audits, committee members, management and staff.
- Listen to your members. Use tools such as surveys and town hall meetings to find out what they use, what they like, and what they want.
- See things as they really are with brutal honesty.

Step 2: Identify the core purpose of the association

- Value Statements, Vision Statements, and Mission Statements are all great documents. What’s most important is that documents, in whatever form they may take, accurately represent what the community is really about and where it wants to go. Don’t create something that sounds good, looks pretty on a plaque, and means nothing.

Step 3: Set goals to work towards achieving that purpose

- Intense brainstorming happens here. There are no bad ideas. Disallow brainstorming creativity killers like “We tried that and it didn’t work,” and “That’s a dumb idea.” Culling and prioritization happen after brainstorming.

- Clarify results into “SMART” goals – specific, measurable, achievable, realistic, and timely. That being said, achievable and realistic does NOT mean easy. Progress is rarely easy. Timely refers to each goal having a target date for completion. This is where prioritization comes into play.
- If a goal does not support the mission, either the goal should be dumped or you have identified an adjustment to the mission.

Step 4: Decide what practical steps, or “objectives,” will be necessary to reach the goals

- Reverse engineer the process. Be clear on each goal and work backwards to identify each deliverable that will be required to achieve the goal.
- Sometimes you will find a goal needs revisiting after this step. Adjust as needed.
- After identifying the work needed to achieve your goals, you might realize you need to adjust the target dates for completion. That will make for “smarter” goals (more achievable, realistic, and timely).

Step 5: Establish the plan to regularly review progress and update the plan as needed

- This is where great plans fail. Unless there is follow through and analysis, your initial efforts are wasted.
- Review the plan each year. Include community feedback in the analysis.
- Identify the objectives to be accomplished each year and plug them into the association’s master annual calendar so they can be tracked.
- Regularly communicate plans and progress. Hold yourself accountable. Don’t be afraid of failure; learn from it. Communicate some more. Support and momentum will increase.

With the process established, the next question is what is to be included in the analysis and plan. The answer is...everything and anything.

STICKS AND BRICKS

A key element to include in the plan is major maintenance and replacement of common element components. This can be particularly impactful for condominiums and cooperatives.

Performing a reserve study and taking its data into consideration as part of the annual budget process is not only smart business, it can be legally required, depending on the statute governing your association. Wise boards understand that the reserve study is not the end of the long range planning process, it’s the beginning. Why?

Reserve analysts are generalists by definition. They do not possess X-Ray vision, they do not perform destructive testing, and they are not omniscient. The timing and scope of some capital projects are at least somewhat discretionary. And finally, reserve schedules are typically designed to replace components with like components. It pays to take a close look at the schedule and make sure all factors are taken into consideration when planning for projects. Invest in an engineer, construction estimator, association counsel, or other consulting professionals to provide important information to help estimate the cost of certain projects more accurately. This vital data can be imported into the reserve schedule, which in turn will help the association fund reserves in a way to avoid nasty surprises. Here is a very partial list of some of the questions that should be contemplated as the reserve schedule is reviewed:

- Will a consultant be hired to help facilitate the design, bidding,

and management of the project? If the expense will be paid from the reserves, it should be part of the funding plan.

- Will a project, such as a pipe replacement, require damaging units for access? How will that be handled? Collateral damage can add significant expense to a project.
- Will a project require expensive staging to complete? Logistics can be budget busters.
- Will a replacement of a component trigger code compliance requirements? This can add huge expense to projects like fire protection systems and elevators.

WHAT ELSE

Community associations are much more than sticks and bricks. Technology changes the way associations operate and communicate. Every association has a life cycle; operational processes that worked 20 years ago may not be ideal now. Amenities that were popular in the past may not add value to current or future membership. Volunteerism, community spirit, and participation levels may change depending on factors such as demographics and sense of connectedness to the association. Governance structures and administrative infrastructure can become outdated and inefficient. Your list will depend on your association.

The possibilities are many, but some things remain constant. Every community association is unique. Members have needs and wants. Things change. Associations thrive when they plan to address the future. They suffer when they fail to do so.

DON'T DESPAIR - BABY STEPS ARE BETTER THAN NO STEPS

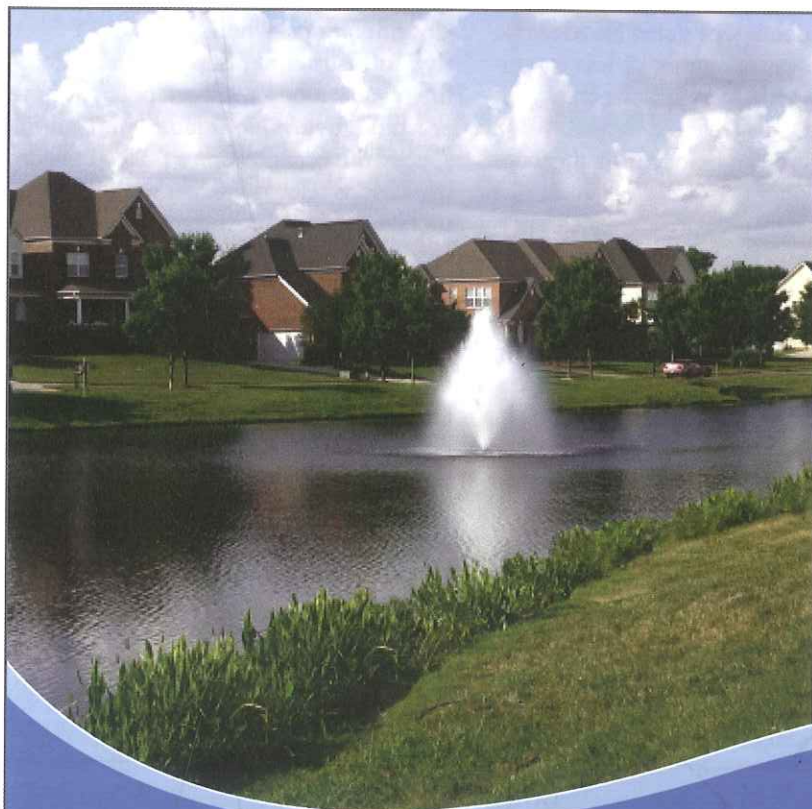
Long range planning may seem to be a daunting process. It is a lot of work. If your community is not quite ready to eat the whole elephant, take some small bites. Start with an annual planning session, preferably soon after a new board is seated after the annual meeting. Decide what you'd like to accomplish so you can give a great report to your members at the next annual meeting. Set goals, identify and track objectives to reach them.

If "strategic plan lite" is the best you can do right now, do it. Any plan is better than no plan. The longer the view, the better the plan. When you talk about what you want to accomplish, by listening carefully you will discern the shared values of the group. Shared values can lead you to a vision. Vision can lead you to your mission statement. In turn, that may ignite the energy and desire to finally establish a long range plan – hopefully before it's too late.

Pick your target. Start shooting. Adjust your aim as needed. Don't give up when the target moves. You can do this.

RESOURCES

- "Best Practices Report #3 – Strategic Planning" – Foundation for Community Association Research
- *Strategic Planning for Public and Nonprofit Organizations: A Guide to Strengthening Organizational Achievement* by John M. Bryston
- *Creating Your Strategic Plan: A Workbook for Public and Nonprofit Organizations* by John M. Bryston & Farnum K. Alston
- SWOT Analysis: Strengths, Weaknesses, Opportunities, and Threats – Community Tool Box - Online at: <http://ctb.ku.edu/en/table-of-contents/assessment/assessing-community-needs-and-resources/swot-analysis/main>



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