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STRATEGIC BUDGET TOOLKIT

**Creative Thinking and AI-Supported Tools
for Strategic Planning and Budgeting**

*Bringing creativity, strategy, and financial discipline together
to improve planning and budgeting.*

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Creative Thinking Tools and AI Support for Strategic Planning and Budgeting

Introduction

The *Strategic Budget Toolkit* helps organizations strengthen strategic budgeting—the collaborative process of integrating strategic planning and budgeting to produce a strategic budget aligned with mission, priorities, and available resources. Designed for organizations that want to move beyond traditional budgeting, the toolkit offers practical creative thinking tools that help teams generate meaningful options, evaluate tradeoffs, and align decisions across strategy, programs, and finances. Used together, these tools support clearer thinking, stronger collaboration, and more effective budget decisions.

Each tool in this checklist can be adapted for your organization's budgeting and strategic planning phases—and enhanced through the thoughtful use of AI as a partner. As you use these tools, make note of your team's experience to capture reflections, insights, and next steps so your team can build its own strategic budgeting playbook over time.

What is Strategic Budgeting?

Strategic budgeting is the creative engine that integrates strategic planning and budgeting. Strategic planning and budgeting are collaborative by nature. They succeed when teams have clear processes that encourage curiosity, communication, and collective decision-making based on accurate information. The strategic budgeting process includes six basic phases based on the Creative Problem Solving (CPS) model:

Strategic planning:

- Clarify the problem(s) (ensure that the correct problem is identified)
- Generate ideas (identify a wide range of ideas)
- Develop solutions (refine and select viable ideas)

Budgeting:

- Plan implementation (determine timeframe of necessary actions and required resources)
- Create budget (allocate financial resources effectively and accurately)
- Implement and evaluate (execute and assess strategies throughout)

How to Use the Toolkit

This toolkit is organized around three categories of tools—Divergent, Convergent, and Context & Alignment—followed by appendices that provide AI guidance (Appendix A) and phase-by-phase guidance on implementing the Strategic Budgeting process (Appendix B)

You can use this toolkit by:

1. **Diverge:** Choose 2–3 divergent thinking tools to open thinking and explore options.
2. **Converge:** Apply 1–2 convergent thinking tools to evaluate, narrow, and select priorities.
3. **Invite AI:** Use AI to expand, visualize, cluster, or analyze—not to make decisions. Always carefully review AI output for “hallucinations” or incorrect assumptions and analyses. This toolkit describes AI roles with functional labels such as “synthesizer” and “pattern finder” to reinforce that AI supports analysis but does not make decisions.
4. **Reflect:** Record insights to inform future strategic planning and budgeting cycles.

Tools for Strategic Budgeting

These tools help organizations move from idea generation to strategic, budget, and financial decisions by balancing divergent and convergent thinking, supported, but not replaced, by AI.

Several tools, such as Stakeholder Analysis, may be used in multiple phases, depending on the team’s intent and the phase that the team is working in.

DIVERGENT TOOLS

Generate many possibilities, explore new strategic or funding paths

Divergent tools are used to explore many possibilities without judgment. They expand thinking, encourage creativity, and help teams discover new perspectives and options. During the Problem Clarification and Idea Generation phases, these tools invite curiosity and imagination—ensuring that a broad range of ideas emerges before narrowing decisions begin. Divergent tools help teams move beyond assumptions and generate the raw material for innovation.

| Tool | How This Tool is Useful | AI Support Role |
|--|---|---|
| Brainstorming or Brainwriting | Opens thinking to find solutions to a specific organizational or funding challenge. | Organize large sets of ideas/options so team can focus on content, not mechanics. |
| SCAMPER (Substitute, Combine, Adapt, Modify, Put to other uses, Eliminate, Reverse) | Prompts fresh thinking and new approaches to existing programs, strategies, or funding models. | Generate creative prompts and novel combinations. |
| Mind Mapping | Visualizes connections between ideas, programs, costs, and outcomes. | Create visual summaries to clarify complex data. |
| Analogy & Metaphors | Sparks insight by comparing strategic and budgeting challenges to unrelated concepts or systems (e.g., “What if our budget worked like a garden?”). | Suggest analogical prompts and creative parallels. |
| Forced Connections | Introduces unrelated triggers to disrupt assumptions and prompt new thinking. | Provide random prompts and identify conceptual patterns. |
| Role-Storming | Encourages new ideas by adopting the role of a specific person such as stakeholder, CFO, program lead, or citizen. | Simulate stakeholder perspectives to deepen insight. |
| Future Scenarios | Imagines multiple future conditions through “what if” narratives to test strategies and assumptions. | Develop scenarios and visualize impacts based on input from the team. |

CONVERGENT TOOLS

Evaluate, refine, and select the most feasible and impactful options.

Convergent tools are used to analyze, organize, and select the most promising ideas. They help teams focus creative energy into actionable strategies that align with goals, resources, and constraints. During the Develop Solutions and Implementation Planning phases, these tools support evaluation, prioritization, and refinement—turning possibility into practical direction. Convergent tools strengthen decision quality and ensure creative solutions are both feasible and strategic.

| Tool | How This Tool is Useful | AI Support Role |
|--|---|--|
| Evaluation Matrix | Compares options by criteria such as strategic fit, cost, effort, and impact. | Calculate scores and visualize comparisons. |
| Highlighting (Hits, Cluster, Restate) | Screens and selects ideas with the highest value, energy, or relevance to the challenge. | Track word frequency and organize brainstorming notes for Highlighting. |
| POINt (Pluses, Opportunities, Issues, New thinking) | Frames discussion constructively, balances optimism and caution, and prevents premature judgment. | Categorize ideas into the four lenses. |
| Assumption Testing | Identifies and challenges untested beliefs driving strategic and budget decisions. | Identify and flag recurring assumptions across documents. |
| Stakeholder Analysis (may include Assisters-Resisters Analysis) | Identifies forces that may support or hinder implementation of selected ideas. | Visualize and cluster driving vs. restraining factors for clearer team discussion. |
| Six Thinking Hats | Ensures balanced thinking (facts, emotions, risks, benefits, creativity, and judgment). | Generate prompts for each “hat” to support balanced reflection. |

CONTEXT & ALIGNMENT TOOLS

Define, frame, and align the strategic environment before and during creative work

Before generating or selecting solutions, it's essential to understand the context surrounding the strategic and budgeting challenge and decisions. Context and Alignment tools help teams clarify needs, identify influential stakeholders, assess forces affecting change, and capture feedback to improve future cycles. These tools bridge the creative and analytical phases of strategic budgeting—ensuring that ideas are grounded in real organizational conditions and aligned with strategic priorities. Some tools can also support divergent or convergent work, depending on when they are used.

| Tool | How This Tool is Useful | AI Support Role |
|--|--|---|
| Gap Analysis | Explores performance gaps and prioritizes where solutions or funding shifts are needed. | Surface trends; cluster related issues. |
| Stakeholder Analysis (may include Assisters-Resisters Analysis) | Identifies key players and levels of influence to better align strategies and budgeting. | Map to visualize influence pathways. |
| Force Field Analysis | Assesses driving and restraining forces affecting proposed strategies. | Simulate potential outcomes; identify barriers and leverage points. |
| Feedback Grid | Gathers lessons learned, successes, and improvement needs for future budgeting cycles. | Summarize qualitative feedback and derive insights for refinement. |

Using This Toolkit Over Time

The Strategic Budget Toolkit is designed to be used, adapted, and refined over time. As organizations apply these tools across planning and budgeting cycles, they are encouraged to reflect on what worked, what shifted, and what new insights emerged. Capturing lessons learned, adjusting practices, and revisiting assumptions helps organizations strengthen strategic budgeting as an ongoing capability—one that evolves with experience, context, and collective learning.

Appendix A

Guidelines for Using AI Responsibly in Strategic Budgeting

AI can be a powerful partner in strategic planning and budgeting—but it also has risks if not used thoughtfully. These guidelines address common concerns and provide practical norms for responsible use.

1. AI as Partner, Not Decision-Maker

- AI can expand thinking, visualize data, and cluster ideas.
- Final decisions must always be made by humans.
- Use AI to *inform*, not to *replace*, judgment.

Team Norm: “The group owns the decisions. AI only informs our work.”

2. Guarding Against Hallucinations and Bias

- AI output can contain errors, over-simplifications, or “hallucinations.”
- Biases in data may reflect or amplify inequities.
- Always check AI-generated content against reliable data and team expertise.

Team Norm: “We review, fact-check, and challenge all AI contributions before acting.”

3. Building Trust & Collaboration with AI

- Introduce clear norms for when and how AI will be used in sessions.
- Encourage open discussion of “AHA moments” and surprises generated by AI.
- Balance AI’s speed with time for thoughtful human reflection.

Team Norms:

1. Share AHA moments with everyone.
2. Allow time to work with AI outputs before moving on.
3. Stay open to the ideas of others and those provided by AI.

4. Compliance, Ethics, and Accountability (especially critical in public sector organizations where transparency, auditability, and accountability are essential)

- Align AI use with regulations, guidance, rules, and organizational policies.
- Test decisions for equity, transparency, and ethical impact.
- Document AI’s role in the process to ensure accountability.

Checklist Prompt:

1. Have we considered compliance and policy requirements?
2. Could this decision unintentionally disadvantage a stakeholder group or others?
3. Is the rationale for this choice transparent and well-documented?

5. Continuous Learning & Reflection

- Use each session to refine how your team integrates AI.
- Capture lessons learned: when did AI add value, and when did it distract?
- Adjust team norms and safeguards based on experience.

Key Takeaways

AI can amplify creativity and clarity in strategic planning and budgeting when used **responsibly**. By maintaining ownership of decisions, reviewing outputs critically, and embedding ethical and compliance checks, organizations can benefit from AI without undermining trust, collaboration, or accountability.

Appendix B

Phase-by-Phase Guidance for the Strategic Budgeting Process

Tools may appear in multiple phases of the Strategic Budgeting process. This repetition is intentional. The role of a tool evolves depending on whether teams are diverging, converging, or aligning—shifting from idea generation, to evaluation, to implementation support as decisions mature. This table is designed as a guide to the Strategic Budgeting Process, not a checklist.

| EXECUTIVE STEP – APPLIES TO ALL PHASES: | | | | | | |
|--|---|---|--|---|---|---|
| Assess and reassess the situation; gather data; determine, monitor, and evaluate plan, programs, and budget estimates; and revise as needed. | | | | | | |
| Phase | Purpose | Tools | Facilitator Role | AI Role | AI Risks | Guiding Principles |
| Clarify | Identify needs, challenges, opportunities, and goals. | <ul style="list-style-type: none"> • Gap Analysis • Assumption Testing • Six Thinking Hats • Strategic Plan | Prevent premature problem framing; involve diverse stakeholders; reflect on AI insights. | Analyze budgets, stakeholder input, and performance data for gaps/themes. | AI bias may frame the problem too narrowly, omitting key human or contextual factors. | <ul style="list-style-type: none"> • Engage stakeholders • Gather data • Explore vision • Frame challenges as questions |
| Generate Ideas | Generate creative options to meet goals. | <ul style="list-style-type: none"> • Brainstorming • SCAMPER • Role-Storming • Highlighting • POINT | Elicit human ideas first; maintain psychological safety; defer judgment. | Expand idea range, analogies, and cross-sector benchmarks. | Over-reliance on AI may dampen originality and human creativity. | <ul style="list-style-type: none"> • Encourage novelty • Go for quantity • Build on others' ideas |
| Develop | Refine and evaluate viable ideas. | <ul style="list-style-type: none"> • Future Scenarios • POINT • Role-Storming • Evaluation Matrix • Assumption testing • Feedback Grid | Lead convergence; make criteria explicit; preserve ownership of decisions. | Cluster proposals, model trade-offs, compare strategies. | Over-reliance on AI during convergence may weaken ownership and stakeholder buy-in. | <ul style="list-style-type: none"> • Apply explicit criteria • Use affirmative judgment • Include stakeholder review |
| Implementation Planning | Translate ideas into actions, resources, and responsibilities. | <ul style="list-style-type: none"> • Force Field Analysis • Stakeholder Analysis • Six Thinking Hats • Action Plan | Ensure practicality, accountability, and change management readiness. | Suggest timelines, resource allocations, and risk simulations. | AI-generated plans may miss political, cultural, or organizational nuances. | <ul style="list-style-type: none"> • Link resources to timing • Identify barriers early • Engage stakeholders |
| Create Budget | Prepare a multi-year financial plan to execute the action plan. | <ul style="list-style-type: none"> • Interactive or diagnostic budget • Budget Policies & Processes • Cost Estimating | Keep decisions value-driven and mission-aligned; verify assumptions and constraints. | Model allocations, identify efficiencies, flag compliance issues. | Over-reliance on AI may reduce flexibility or ignore mission-driven goals. | <ul style="list-style-type: none"> • Ensure accuracy • Maintain compliance • Align funding with strategy and sustainability |
| Implement & Evaluate | Execute approved plans; monitor results; learn and adjust for next cycle. | <ul style="list-style-type: none"> • Future Scenarios • Stakeholder Analysis • POINT • Force Field Analysis • Strategic Plan • Action Plans | Lead reflective learning; integrate quantitative and qualitative insights. | Track performance, surface trends/risks, benchmark outcomes. | Over-reliance on AI metrics may undervalue qualitative results or stakeholder perspectives. | <ul style="list-style-type: none"> • Foster continuous learning • Engage stakeholders • Close the feedback loop |