

STRATEGIC PLANNING



“When your headlights aren’t on,
the best rearview mirror available
isn’t likely to improve your driving.”

~Marth Rogers



FOUR CRITICAL STEPS

1. Achieve strategic clarity: Clarify the organization's goals.

Develop a concrete statement of the impact the nonprofit will hold itself accountable for, in what time frame, and for whom, and how the nonprofit's work will lead to that impact.

2. Set strategic priorities: Determine specific actions and activities that must take place to set proposed changes in motion.

- ▶ Evaluate current programming and identify opportunities to modify, expand or eliminate certain programs.
- ▶ Conduct internal analyses such as Program Evaluation, Program/Mission Alignment, and Full Cost Analysis to determine how well current programs are fulfilling intended impact and mission.
- ▶ Conduct external analyses, such as Benchmarking or Landscape Analysis, to answer key questions about the nonprofit's strengths and weaknesses relative to others' in the field, and how it fits into a broader ecosystem.

3. Determine resource implications: Financial, human, and organizational resources needed to achieve strategic priorities

- ▶ Identify a clear funding model to help estimate how much money can be raised in the future.
- ▶ A good strategic plan should be ambitious yet realistically achievable, not foolishly optimistic.

4. Develop an implementation plan and establish performance measurement

- ▶ clearly lay out the steps needed for each strategic priority
- ▶ who will be responsible for each step
- ▶ quantitative and qualitative milestones to be tracked
 - ▶ Milestones help organizations stay on track over time and measure progress toward achieving intended impact

KEEP IN MIND REALISTIC GOALS

“Strategy is all about what you say no to.”

~Tim Hanstad, CEO of Landesa.

His team's commitment to Landesa's focused mission led them to turn down enormous sums of grant money that would have led the organization astray.

~ARNOVA, 2018

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QUESTIONS BEFORE BEGINNING

Can you devote sufficient time and energy to make the business-planning process worthwhile?

- ▶ Typically takes 3 to 6 months to develop an effective strategic plan

Who will be involved in the process, and what will be expected of them?

- ▶ Planning team includes the executive director, the top finance person, and key program leaders
- ▶ Team also might include 2 or 3 board members
- ▶ Bring in an external resource to help organize the planning process and facilitate discussions

Why do funders care about strategic plans?

- ▶ Not a lot of ways to assess the health and viability of an organization.
- ▶ Background and accomplishments are important indicators of what organization has done, but strategic plan is crucial in showing what you plan to do (and how).
- ▶ Gives insight into priorities of the organization and the role of the program you want to fund in the grand scheme of the organization's mission.
- ▶ Shows the commitment of the Board to sustaining the organization.

What do funders want to see in a plan?

- ▶ No specific template, but must be for current fiscal year and list organization's goals, strategies/ actions, resource requirements, and timeframe for accomplishing objectives
- ▶ Should indicate date it was approved by the organization's Board

We have a business plan or strategic framework. Is that OK?

- ▶ Yes, so long as the elements above are part of it

TYING IN FINANCIAL PLANNING

“Financial sustainability needs to be at the core of planning and the establishment of goals. But neither should a strategic plan simply be about following the money. Strong executives steer planning discussions along the lines of financial viability, but discussing revenue strategies and opportunities should be an essential, explicit part of strategy.”

~BlueAvocado.org

IN OTHER WORDS...

"Hope is not a strategy."

~Vince Lombardi



TIPS TO STRENGTHEN PLANNING PROCESSES

1. Focus on the questions that need answers

- ▶ Begin by asking: "What are the four or five questions to which we must have unambiguous answers by the end of this process?"

2. Undertake a Strategic Learning Agenda

- ▶ Exploratory, creative approach to identify what organization needs to learn about
- ▶ Seek information about trends in the industry and about the competition
- ▶ As part of the planning process, can get board members and senior staff to plunge into new situations
- ▶ Can stimulate perspective and creativity in decision-making.

3. Fundraising Revamp

- ▶ A planning process that starts with a Fundraising Revamp can lay a realistic foundation for process
- ▶ Have board-staff task force look at all fundraising activities and mark each as something stop, to change dramatically, to put on hiatus, invest more staff or consultant time in, or a new activity to explore

4. Business Model Adjustment

- ▶ If a main concern is financial vulnerability, begin by looking at both programs and revenue efforts together.
- ▶ Nonprofits can't look at program goals without thinking about money, and can't look at fundraising and earned income without thinking about current or future programs

5. Community-oriented decision making

- ▶ Traditional strategic planning is organization-centered.
- ▶ Who is our constituency, and what do they need our organization to be doing right now?
- ▶ This question can lead to activities that reflect the role organizations play as community focus points... not just as service providers. Answering the question helps re-focus on who they represent and to whom they hold themselves accountable.

“Vision without action is a daydream.
Action without vision is a nightmare.”

~Japanese Proverb

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