

STRATEGIC PLANNING: Some Lessons Learned About What Does and Doesn't Work

Paul Connolly and Margaret Berger Bradley, consultants with The Conservation Company, recently led a workshop on strategic planning for a group of NPCC members who were equally divided among those who were about to start a plan, those who were in the midst of one, and those who had completed one or more plans.

Of those attendees who had already completed a strategic plan, some of the reasons offered why they have undertaken the effort ranged from rapid growth to declining funds; from the need for revitalization to the need for new leadership. One organization reported that they had achieved their mission and needed new goals and another cited that a funder had encouraged them to develop a strategic plan.

WHAT IS IT? Strategic planning is a way to help an organization be more productive by helping guide the allocation of resources in order to achieve goals. It is the process of determining what your organization intends to achieve and how you will direct the organization and its resources toward accomplishing those goals over time. Generally, a strategic plan has a three to five year horizon. A good strategic plan will strike a balance between the heart and the head: passion and vision combined with careful analysis.

WHY DO IT? • To improve results, especially important as many funders focus on "outcome funding."
• To develop momentum and to help the staff and board to focus on goals.
• To solve problems—or more importantly, to get at the actual root of problems.
• To build teamwork and commitment.
• To enhance communications and marketing.

WHEN TO DO IT? Optimally, strategic planning should be undertaken periodically to improve performance. It can take place at any point in an organization's life cycle: start-up,

growth, maturity, or stagnation/turn around. Crucial times to consider undergoing the process are when there are significant changes in external forces, for example, when clients' needs change, due to stakeholder's shifting interests, or when funding patterns change. Other circumstances may include when there are significant internal issues such as leadership changes (either impending or occurring); the need to re-engage the board; when staff-board relations need improving; external communications or fundraising efforts need honing.

Some times are better than others to do strategic planning. One workshop attendee felt that it is not optimal to commence a planning effort when an organization is in crisis, such as when an executive director leaves.

THE COMPONENTS OF A STRATEGIC PLAN INCLUDE

- Mission statement: why an organization exists and the main methods through which an organization works to fulfill its purposes. Basically, the answer to the question, "What is our business?"
- Vision statement: a description of the organization's desired future, often expressed in terms of impact and image. "What are we committed to?"
- Values statement: principles that guide the organization's planning and operations, usually relating to the organization's relationship to its environment or resources. "What do we believe?"

Connolly noted that some organizations often combine all three of the above components into one lengthy mission statement. However, he also noted that the management guru Peter Drucker believes that a mission statement should be concise and pithy and fit on a t-shirt.

A STRATEGIC PLAN ALSO INCLUDES

- Goals: major outcome statements that

define what an organization is trying to accomplish, both programmatically and operationally. Goals should be both short and long term.

- Strategies: broad priorities and directions adopted by an organization.
- Tactics: specific action steps to accomplish strategies, including financial and budget plans, schedules, and identification of who is responsible for specific activities.

STRATEGIC PLANS ARE NOT

- Operation plans: a coordinated set of tactics to execute strategies, based on decisions that have been made about strategies and related to day-to-day implementation.
- Business plans: a diagram or scheme detailing the time, attention, and labor for the purpose of income generation, usually focusing on earned revenues.
- Case statements: a fundraising document that emphasizes the benefits of an organization's work and is used to secure donations and grants.

Sometimes people confuse a strategic plan with an operations plan, a business plan or a case statement. Bradley noted that these are all important, but they should be created after a strategic plan has been developed. They stem from the results of having completed a strategic plan and are created to help implement it.

THE STEPS TO DEVELOPING A STRATEGIC PLAN

- Get organized. Answer the following questions: Why are you doing this? What do you want out of this? What resources will you need? Determine the commitment of leadership and whether or not outside assistance is needed. Create a planning team with the board and key staff. Clarify roles in the process. You will also need to create a plan to do the plan.
- Take stock. Summarize the organization's history and present situation. Revisit your mission statement and your vision statement (if you have

one). Honestly assess strengths and weaknesses. Assess opportunities and threats (these are the external forces that exist outside of the organization). Identify critical issues for the future that the plan must address. Don't be afraid of contentious discussions, provided that they are well managed.

- Agree on priorities and set direction. Analyze the interplay of strengths and weaknesses (internal forces) and the opportunities and threats (external forces). Select future core strategies. Develop realistic long-range financial projections. Draft an outline of core strategies and goals.

- Draft and refine the plan. Agree on a format. Write a first draft. Present the first draft for review. Refine the plan. Adopt the plan. Be sure to set dead lines to meet these steps.

- Implement the plan. Integrate the new strategic plan into annual operating plans. Monitor performance to see that goals are being met, and if not, take corrective action. Update the plan periodically. These are perhaps the most important steps—don't let the plan sit on a shelf.

SOME QUANDARIES, QUESTIONS AND CONSIDERATIONS The Costs

Only a few fortunate organizations will be able to afford to undertake this venture without having budgeted in advance, so first prepare a budget. Some of the factors that will affect the cost include the size of the organization, the experience of the leaders involved in the process, the degree of commitment to the current mission, and the amount of new information that needs to be gathered in order to make informed decisions. Finally, the cost will depend on whether or not an organization chooses to hire an outside consultant or facilitator, and should it do so, will further depend on the extent that the advisor will be involved.

Who should be involved in the process?

Your entire potential universe ranges from staff and board to clients and members; from donors and funders to other nonprofits with which you collaborate. But that may be too many

people to involve directly. If desired, one way to get input from everyone may be through surveys, phone interviews, and private consultations. Bradley noted that in many cases there is no reason not to include all staff. If you can't have all of the staff participate through the entire process, consider trying to involve everyone in the planning stage. However, Connolly pointed out that involving too many people could make the process too burdensome, and may jeopardize the efforts, especially for larger organizations.

Time line

Six to ten months is probably as far as you will want to stretch out the process. Beyond that, people will begin to lose interest and the momentum will falter. Don't agonize over the plan until it's obsolete—or until no one cares anymore and they just want it done for the sake of getting it done—set deadlines and stick to them.

Who writes the plan?

An outside consultant, the executive director or a board member? There is no right answer; it depends on the specific situation. One executive director noted that the plan took too much time for her to write, and she felt that the consultant should have done it. Connolly noted that even though an outside consultant may play a lead role in writing a plan, it is important to involve the staff and board in the process in order to increase their "buy in" and ownership of the plan.

One attendee told of their "dusty" plan—an expensive, time-consuming plan that immediately after being completed was shelved, never to be referred to again. Connolly pointed out that all the money and time in the world will be wasted if the staff and the board don't buy into the plan. Furthermore, a strategic plan must be revisited, and if necessary, revised regularly. A strategic plan cannot be static; it must be treated as a living document.

Another attendee felt that she had ended up with a "false" plan. She felt that it was a good plan, and one that the board members gave their support to during the planning process, but in the end the board didn't follow through. Bradley noted that this may

have occurred because of the way information was gathered from the board. She suggested that input be gathered one on-one and confidentially, so that board members can honestly express their thoughts about the organization's strengths, weaknesses, and future direction.

On the point of strategic plans being three to five years in scope, one attendee felt that her organization's financial environment is changing so rapidly that it's hard to plan for three years. Another person recounted that shortly after completing a strategic plan the organization ran out of money. They then used their plan to re-prioritize their goals, scale down their budget and make some tough decisions. Connolly noted that organizations that run into financial difficulties may want to re-organize their plan's "action steps" into those that cost money and those that do not.

In the event of impending new leadership, is it better to do a strategic plan before or after the new executive director comes on board? That will entirely depend on the specific circumstances and the culture of the organization. One executive director noted that when she assumed a position, the board handed her a recently completed strategic plan and it made her job so much easier because she had a clear blueprint for action. Other organizations may want to wait until they hire a new executive director to begin the process, or if they have chosen the individual, to involve him in the process.

STRATEGIC PLANNING is putting your resources where they'll do the best work—it's not simply creating a wish list. You'll need to be brutally honest about your organization's strengths and weaknesses and realistic about the opportunities and challenges. Finally, the board and staff must accept and endorse the plan, and most importantly, the plan must be implemented.

The Conservation Company provides management consulting and planning services to nonprofit organizations, philanthropies and corporate community affairs departments. They can be reached at 212/949-0990.