

BEFORE YOU PLAN

STRATEGIC PLANNING ADVICE FOR NONPROFITS

A publication of



Introduction

For years we've been telling anyone who will listen that, "Not having a strategic plan is like trying to sail without a rudder." You are at the mercy of the changing winds, and you'll have little control over how far you'll drift or where you'll end up. Of course, there are lots more of these clever analogies, but the fact is that those organizations that have a plan dramatically increase their odds of success. They not only take control of where they are heading, but they are also better positioned to take advantage of new opportunities and to thrive in even the most challenging of times.

Having a plan and getting a strategic plan are two very different things, however. Here we outline why strategic planning continues to be essential for nonprofit organizations and offer tips on what to consider before you get started.

So what is a strategic plan anyway?

First of all, a strategic plan is – well – strategic, which is worth saying because one of the biggest complaints about strategic planning (and strategic plans) is that too often they aren't very strategic at all. What do we mean here? The easiest way to explain may be to describe what strategic plans are not:

- They're not annual work-plans, although a good work-plan should flow out of a strategic plan.
- They're not accommodating, meaning strategic plans reflect tough choices about what the organization should and *should not* be doing.
- And they're not pie-in-the-sky, but grounded in reality and responsive to your environment, competitors and partners, resources, unique strengths, and reputation.

Strategic plans tend to have a long time horizon, looking out into the future two, three, or even as many as five years to determine where you want to be and what impact you want to have. They allow you to say, "We all know what we want to accomplish and how we are going to get there, and we have a framework for making choices along the way."

Why board members often fear strategic planning

Any fear that board members feel about strategic planning is often related to what they experienced in the *last* strategic planning process – too long, too many meetings, and yielded little more than a plan that sits on a shelf. It should come as little surprise then when board members say: "We've got a lot on our plates right now. Let's talk about that next year."

Moreover, many organizations have a strategic plan in place and just aren't following it:

- "We finished the plan, and then everything changed, and the assumptions upon which it was built are no longer valid."

- “It was a five year plan, but we found that we accomplished a lot more than we expected in the first year, and we quickly discarded things that didn’t work, so we stopped referring to it.”

It is your job to put in place a planning process that gets the organization the plan it needs and will want to use without killing off the planners along the way. In short, your strategic planning process should energize.

Three reasons why board members should want a strategic plan:

1. Agreeing on vision and priorities will lead to a **more vibrant and satisfying board life**, with clearer roles and responsibilities, higher value meetings, stronger recruitment and increased engagement (and perhaps even that “elevator” speech you’ve always wanted).
2. You will **cultivate broader support** as you gain energy from the input of clients, donors, staff and other stakeholders and send back a clearer message about where you’re headed and why they should value and invest in your mission.
3. You might **resolve (at last) those “elephant in the room” issues.**

Three reasons why executive directors should want a strategic plan

1. It is an opportunity to **demonstrate your leadership and cultivate it in others**, getting you and the board on the same page and moving the board to the right level of involvement.
2. The process can **build resilient teams and connections**, breaking down departmental “silos” and prompting the board and staff to work together to look beyond immediate needs and develop strategies to succeed in an uncertain future.
3. In addition to being an expectation of many funders, a strategic plan can help to **articulate your fundraising needs**, and the process can be used to engage donors and clients and to test messages and satisfaction levels. Many a capital campaign has grown out of strategic planning!

Is this really the right time for us to engage in a strategic planning process?

There are lots of reasons that are given for deferring planning to later:

- We have too much going on right now.
- We need to add some new board members before we start planning.
- We need to wait for our new board members to get up-to-speed.
- We need to know what to expect from the Governor, from the legislature, from the budget negotiations, etc.

The reality is that there is no perfect time for strategic planning. You will never be able to perfectly predict your future, you will never have all of the information you might desire, and there will never be a time when there aren’t a host of other distractions competing for your time and energy. However, putting-off your planning leaves your organization at the mercy of external forces rather than taking control of your future.

When designing your planning process, be clear about your desired outcomes

If you do not take time to agree on a shared set of desired outcomes, it is likely that everyone will be disappointed with the results. Consider engaging in the following exercise with your strategic planning committee or with your board and staff leadership team:

Desired Outcomes Exercise

Ask each person to write down answers to the following questions:

- From your perspective, what should a successful planning process achieve? What will we need to have, or have achieved, for you to say that this was a success?
- What kinds of guidance do you hope will emerge from this process?
- What issues or questions do you want to make sure we address along the way?
- Are there any issues that you hope we'll resolve as a result of our work?
- Who do you want to make sure has been engaged in this process?

Once enough time has passed, ask the participants in this exercise to tell you what they've written in response to each question. Record their responses on flip-chart paper and have them elaborate as needed. If the list of items is lengthy, take time to work with the group to prioritize their responses.

If you work with an outside strategic planning consultant, this list will also help him or her more easily tailor the planning process to achieve the outcomes you've identified.

Don't miss the opportunity to engage your key stakeholders in the planning process

It is tempting to think that you can develop a strategic plan in short order by just getting the “right people” in the room to power your way through the planning process. This ignores, however, the importance of getting buy-in and a shared sense of ownership from those who can play an essential role in the plan’s success: your board, staff, volunteers, donors, and community members.

People like to be asked for their opinions, and a strategic planning process can be a great time to seek and to get stakeholder input. But how do you foster ownership and still keep the process manageable?

Below is a list of some natural opportunities to involve people as you move through the planning process. The more of them you include, the more buy-in you'll have:

The steering or planning committee – Handles logistics, keeps everything on track and on time, makes sure the work gets done (but does not do the actual planning). This detail work is not a good fit for everybody.

Surveys, discussion groups, and interviews – Not everyone has to attend a meeting or serve on a committee. Consider how you might provide opportunities for your staff, volunteers, donors, clients and community members to provide you with feedback and input on future direction.

Planning retreat – Don't underestimate the value of providing your board with the time to have these discussions personally and interactively. Many organizations find that these planning sessions are a great opportunity to engage key members of the staff too.

Board meetings – Maximize use of your scheduled board meetings. As the planning process progresses, rather than use board meetings to simply report on the planning process, use the time to engage the board in discussing strategic issues resulting from the planning process.

Action planning – Developing the action or work plans (the “who does what by when” stuff) to support achievement of the strategic priorities is primarily the responsibility of the staff. Their direct engagement, perhaps through planning teams, builds ownership.

The length of your planning process depends on several factors

There are several variables that can impact the time it takes to conduct your planning process:

- How much consensus-building among board members and staff will be required to develop agreement on essential elements like mission and vision? It is hard to move forward unless everyone is on the same page.
- Are there important strategic issues or questions that the board may have dodged to this point? These issues certainly can have an impact on just how much time and energy needs to be devoted to conflict resolution and developing clarity and shared understanding.
- How much stakeholder involvement would you like to have? With limited or no stakeholder involvement, an aggressive planning process might be completed in weeks rather than months. At the same time, an organization with many active stakeholders might see a planning process stretching over six months or more.
- How much trust exists between the board and staff? Strategic planning is a team process and without trust the team won't make much progress in accomplishing its work. So, you may need to consider what type of relationship building or team development will be required in order to achieve a climate that is conducive to making strategic and, often, tough choices.
- Finally, a variable that many boards overlook is the time after the planning process is “completed” that it takes staff to develop the action or work plans. At the end of a board retreat, for example, volunteers may think, “Our work is done here,” but, in many ways, the work is just beginning for staff. Don't underestimate the time and work involved.

Most planning processes take longer than expected. If you finish in under 3 months, your process has been speedier than most. A planning period of 3 to 6 months is more the norm. If you are anticipating your planning process could take longer than 6 months, consider how you will maintain energy and enthusiasm and avoid exhaustion.

Do we need to hire a consultant to help us?

If you are developing an annual work-plan, odds are that you can do it on your own (or with minimal facilitation). However, it is a rare strategic planning process that won't benefit from the counsel of someone who has guided multiple planning processes, can facilitate as needed, will assist with the aspects of the process most likely to bog you down, and who will ask the tough questions that no one else is ready to ask (and persist until you get answers).

What an experienced strategic planning consultant can offer are lessons learned from working on planning projects with lots of other organizations. Ideally, the consultant has been through several strategic planning processes (perhaps even with an organization like yours) and can help you find helpful shortcuts and avoid missteps. The consultant can't (or shouldn't) tell you what your plan should be, but can keep the process on-track and on-time and can help you develop the final document that summarizes the work you have completed.

Here are some selection criteria to consider:

- Does the consultant (or consulting team) have experience in leading planning processes with organizations that have a similar level of complexity? A similar field is probably less important than similar size and scope.
- After listening to your needs and reviewing your desired outcomes, does the process they are proposing sound like it is likely to get you where you want to go?
- Do the consultants appear to be a good fit with the culture of your organization and your board? Make sure you get the right fit.
- Might your outcomes lead to a new board governance model, new financial strategies, succession planning, or something else where you might benefit from some additional expertise? There may be some real advantage to finding a consultant or consulting team who can provide these additional skill-sets too.
- Will you enjoy working with them? It is likely that you, the board, and the staff will be working closely with the consultant(s) for quite a while. Go with your instincts.

Determining your planning budget

If you decide to manage and facilitate the planning process yourself, it may be that the only budget impact is the cost of food and refreshments at your meetings. However don't fail to calculate the value and opportunity costs of your time investment.

If you decide on consulting help, the cost will largely depend upon the scale of the planning project and how much support you need. A planning process that includes discussion groups, surveys, and interviews, for example, will cost much more than one where the primary activity is a board and staff retreat. Obviously, a \$4,000 budget will get you a different level of support than a \$40,000 budget, and what different consultants charge for their work can vary widely. After determining which elements of the planning process are most important to you, consider asking the consultants to price a couple of options to see if you can agree upon a planning process that fits your budget.

Before you contact a consultant, however, make sure you can clearly describe your desired outcomes for the planning process (see the earlier “Desired Outcomes Exercise”). With a little bit of time invested up front, you will be much more likely to get a planning proposal that fits your needs.

Conclusion

If you have read this far, you realize that strategic planning should not be approached lightly. While “planning to plan” doesn’t sound like much fun, without it you may end-up on a long and winding road in order to get the plan you want and need. Start by getting very clear about what you want to accomplish, and then take the time to carefully construct a process you believe will be most likely to get you there. What you invest upfront will pay tremendous dividends along the way and will show in your final product.

Remember, without a plan, you and your organization are that boat without a rudder—always reacting to other people and to outside events. Take control of your organization’s future by putting a strategic plan in place. In today’s challenging environment, you can’t afford not to plan.

For more information

If you have questions or would like more information regarding any of the ideas or concepts put forward in this document, you will find contact information for Starboard’s consultant’s at www.starboardleadership.com, or give us a call at (207) 992-4400.