

Strategic planning can help an organization to focus its vision, assess and adjust the organization's direction in response to a changing environment, and ensure that members of the organization are working toward the same goals. Strategic planning is a systematic process organizations use to agree on -- and build commitment among key stakeholders to -- priorities which are responsive to the environment.

All organizations can benefit from agreement on major issues facing the organization, establishment of priorities and clarity of each person (board and staff) in helping the organization achieve its mission and goals.

Strategic planning is a process, first, and a document, second. Included in the process of developing a strategic plan are: (1) determining if the organization is ready to plan, (2) articulating mission and vision, (3) assessing the organization and its environment, (4) agreeing on priorities, (5) writing the strategic plan, (6) implementing the strategic plan, and (7) evaluation and monitoring of the plan.

There are many different formats for a strategic plan. They vary based on complexity of the organization, familiarity with strategic planning, and organizational culture. Some can be a couple of pages and others are very extensive. In some cases, they will include the first year operational plan.

Items frequently contained in a strategic plan are: (1) executive summary, (2) mission statement, (3) vision statement, (4) organization history and profile, (5) critical issues and core strategies, (6) program goals and objectives, (7) management and operational goals and objectives, and (8) resources development goals and objectives.

This section is divided into the following sub-topics:

- Role of Board and Staff in Planning Processes
- Overview of Strategic Planning
- Mission
- Vision
- Assessment Phase: Internal, Environmental, Community
- Strategic Goals
- Implementing the Strategic Plan
- Communicating the Strategic Plan to Key Constituencies
- Organizational Culture and Values
- Resources

## Role of Board and Staff in Planning Processes

The Board of Directors is ultimately responsible for determining the organization's mission, vision and strategic direction. The management and staff of an organization, though, are closer to immediate client needs. Therefore, strategic planning is well-suited to being a partnership between board and staff.

The process of strategic planning is a balance between securing sufficient input to have a realistic plan, involving all key players (sometimes referred to as stakeholders) and make decisions in an efficient timeframe. Some organizations find it useful to name a Strategic Planning Team to coordinate the processes of gathering information, involving others and developing strategic goals.

Organizations have both internal and external stakeholders. Internal stakeholders include board members, staff members, volunteers, general members and members of guilds or auxiliaries. If the total number of internal stakeholders is so large as to make it inefficient to involve them in each step of the process, an organization can choose to solicit their input. Input can be obtained through surveys, phone in-person interviews or focus groups. When soliciting input, the organization needs to make it clear that all input will be considered but that all input will not necessarily translate into strategic goals. Generally, participants need to feel that their input has been heard even if it is not the basis of final decisions.

External stakeholders include current and potential clients, current and potential funders, community leaders, current and potential collaborative partners. Input can be obtained through surveys, phone in-person interviews or focus groups.

### Composition of a Strategic Planning Team

The Strategic Planning Team is sometimes called a Strategic Planning Committee (and may even be a standing committee of the board of directors) or Task Force. Not all organizations use such teams. Small or new organizations may not need to. Generally organizations that are large and complex find it more efficient to have a smaller group *guide* the process. The Strategic Planning Team does not make decisions; it makes recommendations to the Board of Directors who eventually approves the plan.

Strategic Planning Teams are usually most successful when it has the following characteristics:

- consists of approximately 6 - 8 individuals;
- is a combination of "visionaries" (people who see what the organization can be and can rally the organization around that vision) and "actionaries" (people who ask what the resources will support and ensure that the projected goals and tasks are realistic);
- is a group that has informal power and the respect of the organization;
- is a diverse group of stakeholders who are committed to a vision for the common good rather than just advocating for the particular population they represent;
- is a combination of board and staff members, including the executive director and whoever will write the final plan.

A Planning Committee made up of both board and staff is typically selected by the executive director and the board president.

### Use of Consultants and/or Facilitators

Many organizations include an outside consultant or facilitator in some or all of the planning process. For example, it is quite common to have a consultant facilitate retreats and meetings. A facilitator can also provide objectivity by asking clarifying questions, challenging assumptions, encouraging the group to question the status quo, and seeing that organizational jargon is kept to a minimum. Organizations can also look to consultants for information or training on planning language, tools, and processes.

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## **Tips On Organizing Your Strategic Planning Team**

- Ensure participation of key board members and management on Strategic Planning Team
- Have every team member take responsibility for the effectiveness of the whole team.
- Be careful that no one person of the team has too much of the workload, including the executive director. This will help to ensure that the work is completed and that the full team participates.
- When workload is heavy, recognize the need to prioritize activities and postpone less important tasks. Individuals who are overwhelmed shouldn't add responsibilities without subtracting other tasks.
- Use e-mail, broadcast fax and/or mail frequently to keep team members involved and revising key documents.
- Run draft documents by a larger audience inside and outside the organization for feedback throughout the process.
- Expect accountability in completing mutually agreed tasks and follow-up to encourage, praise or rethink assignments when problems arise; avoid criticism or provoking guilt.
- Call consultant, if engaged, for assistance or clarification when needed.

Source: Developed by The Oertel Group, 2003. Based on materials from Jude Kaye and Mike Allison, *Strategic Planning for AIDS Service Organizations: A Practical Guide and Workbook* (Washington, DC: National Minority AIDS Council) and materials previously developed by The Oertel Group for use in the Strategic Planning Institute/Ventura County Community Foundation.

## Overview of Strategic Planning

Strategic planning is the process of determining *what* an organization intends to be in the future and *how* it will get there. It is designing a desired future for your organization and finding the best way to reach that destination. Such planning involves fundamental choices about the future of your organization—choices about:

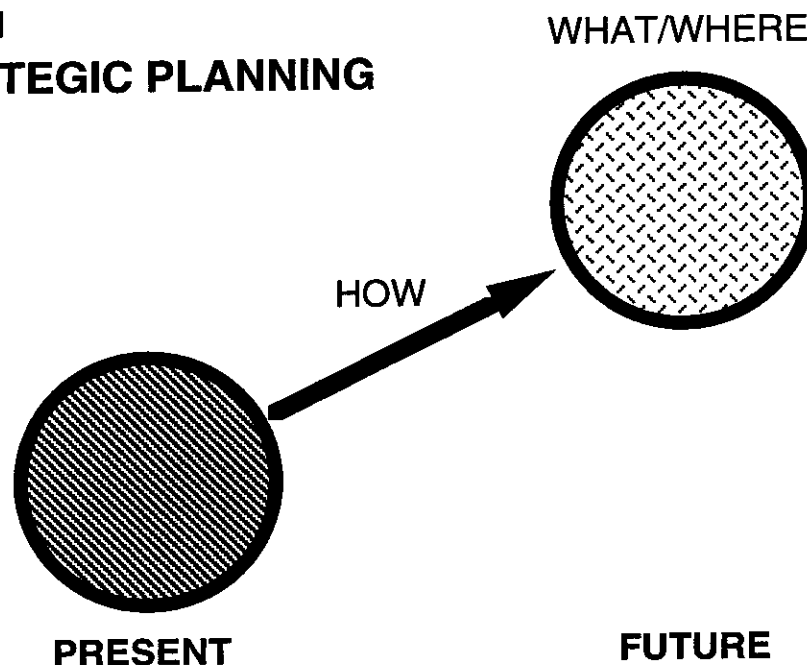
- The mission or goals you will pursue;
- The programs, services or products you will offer to accomplish this mission;
- How you will attract and utilize the resources you need.

Planning is:

- The act of thinking through purposes;
- A means of coordinating basic organizational purposes, operations, and financial imperatives.

Figure 1

### STRATEGIC PLANNING



A distinction is sometimes made in the planning literature between "long-range planning" which focuses on what and where an organization expects to be at the end of a given period of time and "strategic planning" which focuses on the action plan for how the organization intends to get there. In practice, however, "where" you are going and "how" you will get there go hand in hand. Where you are going influences the strategy you select for getting there; your strategy (the "how") provides practical limits for where you can go. We will use the term "strategic planning" in a broad sense to refer to a process of determining both where you want your organization to be in the future and how you will get there.

Strategic planning is also distinguished at times from another kind of planning—operational or short-range planning. Operational planning is what many nonprofit organizations do when they develop yearly goals, program plans, budgets and work plans. Operational or short-range plans focus on a shorter time period than long-range strategic plans, for example one year instead of five. Operational plans usually show in specific terms how, in the coming year, an organization will move toward the future described in its long-range plan.

Strategic planning can also be viewed as finding the fit between four factors for your organization:

- What you intend to do: your basic mission
- What is needed in the world around you: critical external issues
- What you are capable of doing: critical internal issues
- What do you intend to do?

A good strategic plan will help you find the best fit in coming years between what your organization intends to do, what will be needed in the world around you, and what you will be capable of doing

Experts also stress the following points about strategic planning:

- Strike a balance between idealism and realism. Set challenging, but attainable goals for the future.
- Shape your planning process to fit your organization. No strategic planning process is ideal for all organizations. All organizations plan in some way, but the formality and structure of such planning vary.
- You are not finished with your planning when a plan has been drafted and approved. You have just begun. You will need to take action based upon your plan, monitor your progress, take corrective action, and update the plan in light of changing conditions.
- Remember that strategic planning is not an end in itself. It is simply a tool for guiding your organization toward its best possible future.
- Also remember that groups of organizations (associations, federations, and the like) as well as parts of organizations (divisions, programs, and projects) can do strategic planning.

## **Why Develop A Strategic Plan and When Not To Plan**

A strategic plan should be developed:

1. To improve performance
2. To stimulate forward thinking and clarify future direction
3. To solve major organizational problems
4. To survive—even flourish—with less
5. To build teamwork and expertise
6. To meet others' requirements
7. Because it's a natural way of doing business

There are also reasons *not* to develop a formal strategic plan.

1. Costs outweigh benefits
2. An organization is in crisis, when "life threatening" problems should be addressed first
3. When implementation is unlikely
4. When poor plans are likely

*Source: Barry, Bryan. Strategic Planning Workbook for Nonprofit Organizations Revised and Updated © 1997 Amherst H. Wilder Foundation. Permission to use has been provided to the Center for Nonprofit Management/Southern California and The Oertel Group.*

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**Strategic Planning Definitions**

Consultants differ in their approaches to strategic planning and their use of planning terms. As strategic planning experience increases among board members and staff of nonprofit organizations, it is critical early in the strategic planning process to agree on the process and use of terms. The following definitions while common are not universal.

**Action Steps:** Action Steps are the specific steps that will be taken to accomplish each objective. Action Steps should detail who will be responsible for seeing the step is completed and the timeline in which it will be accomplished.

**Community Needs Assessment:** A community needs assessment examines the degree to which an organization has succeeded in its mission to address an external need. It involves gathering information and insights from external sources in order to accurately describe the gap between what the target community needs and what the organization accomplishes.

**Critical Issues:** These issues are the most important challenges or choices the organization needs to address in order to accomplish its mission during the time frame of the strategic plan. A critical issue may be stated in terms of a problem to be solved or an opportunity to be pursued. Critical issues are generally distilled from the organization’s assets, constraints, opportunities and challenges.

**Goals:** Goals are based on the selected strategies. Goals are outcome statements that guide the organization’s programs and management functions. Goal statements should be worded as sentences using the future tense of verbs (i.e. what will occur from the implementation of the plan).

*Sample: End Violent Now will work to remove external obstacles to meeting the needs of individual clients and all clients as trends are observed (e.g. policies/procedures used by other nonprofits and government agencies that hinder service).*

**Macro-Environmental Factors:** Macro-environmental factors are dimensions of the larger context that influence the organization’s customers, its funders, its collaborators and its competitors. Trends in the larger environment can become driving forces that shape the future circumstances an organization will face. The list below shows six dimensions of the macro-environment and some examples of factors relevant to many nonprofits. The factors that most powerfully determine the future conditions under which an organization operates are called driving forces.

Aspects of the Macro-environment	Factors of Potential Importance to Nonprofit Organizations
1. Government	Overhaul of the welfare system or changes in the law
2. Economy	Declining local and national economy or the widening gap between rich and poor
3. Technology	Growth of the Internet or medical advances
4. Natural Environment	Earthquakes or floods
5. Demographic Structure	Growth of Latino populations in region or the aging of the population
6. Culture and Social Structure	Urbanization and the increasing proportion of single heads of households

**Mission Statement:** The mission statement describes the overall purpose or essence statement of organization. It should define major parameters and intended change to the population served. Mission statements may also describe (1) the main method(s) or activities through which the organization tries to fulfill its purpose and (2) the values or principles which guide the organization in pursuing its purpose.

*Sample: The mission of End Violence Now is to save and rebuild lives damaged by abusive relationships and to change the beliefs and behaviors that contribute to relationship abuse. We provide innovative prevention and intervention services to women, men, children, and teens our county. We affirm that all aspects of domestic violence must be addressed in order to reduce the incidence of this pervasive problem.*

**Objectives:** Objectives offer a logical sequence for achieving each goal and break a broadly stated goal into manageable pieces. A litmus test for objective setting is to ask "if these objectives are achieved, will we successfully accomplish the goal?" Objectives should be specific and measurable.

*Sample: Identify current obstacles faced by clients in getting the assistance they need (e.g. attitudes, policies, paperwork).*

**Planning Retreat:** A frequent step in the planning process is to conduct a board retreat which usually includes some management/staff participation. A retreat provides an opportunity to focus on vision and strategic issues that is difficult to achieve in the context of a regular board meeting.

**Situation Assessment:** A situation assessment gathers up-to-date information about the organization's assets, constraints, opportunities, and challenges as well as its performance. This information is used to identify the critical issues that the organization faces and that its strategic plan must address. Conducting a situation assessment can involve (1) gathering perceptions about this issues from internal stakeholders (board members, staff, volunteers, clients, etc.) and external stakeholders (funders/donors, unserved members of the community, referral sources, leaders in the field, etc.); (2) evaluation of programs (e.g. cost/benefit analysis, competitive analysis, etc.); and (3) internal assessment (e.g. financial trends in the organization for the last five years). This step produces a "database" of concrete information that can be used to make decisions.

**Strategic Planning:** Strategic planning is a disciplined effort to produce fundamental decisions and actions that shape and guide what an organization is, what it does, and why it does it, with a focus on the future. It usually covers a period of 3-5 years.

**Strategy Setting:** This is the process of vigorously discussing "what will work best in our situation." The process involves: (1) discussing each critical issue that has been identified; (2) determining how the organization's strengths and weaknesses relate to its opportunities and threats, and how that interplay affects the critical issues; (3) developing and evaluating the various possible strategic approaches to each critical issue; and (4) narrowing down that array of options to arrive at the organization's primary strategies.

**Strengths, Weaknesses, Opportunities and Challenges:** These four aspects of an organization's current and future situation help to guide leaders in making decisions about future direction. An analysis of these aspects is frequently called a SWOT Analysis (Threats used instead of challenges), because it examines strengths, weaknesses, opportunities and threats. Assets and constraints are organizational characteristics that exist now. Strengths help an organization succeed in accomplishing its mission, and weaknesses hinder success. Opportunities and challenges are future possibilities suggested by current trends. They are external to the organization, yet they can change the environment of the organization and its clients' in ways that assist or impede the mission. Strategic planners should pay particular attention to dramatic changes in future conditions that could cause the organization to go out of business or to make fundamental changes in the way it operates.

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**Values:** Social values or principles that guide the way the organization operates, makes decisions, or treats its employees, volunteers and customers.

**Vision Statement:** A vision statement presents a guiding image of success. It should challenge and inspire the group to stretch its capabilities and achieve its mission. The statement will often convey both an external and an internal vision for the organization. The external vision is an image that informs program strategies and goals; it focuses on how the world would be improved, changed, or different if the organization achieved its purpose. The internal vision informs an organization's management or organizational strategies and goals; it describes what the organization would look like if it was operating effectively and efficiently -- the ideal image or reputation, funding, partnerships, use of technology, board, staff and facilities, as well as major past accomplishments and what makes the organization unique.

Source: Adapted by The Oertel Group © 2003. Based on material from "Strategic Planning Workbook for Nonprofit Organizations." Management Support Services, Amherst H. Wilder Foundation, "Strategic Planning for AIDS Service Organizations" by the National Minority AIDS Council.