

## Developing the Strategic Goals

After the assessment phase is completed, the Strategic Planning Team will:

- identify the critical issues
- develop strategies to address each critical issue
- develop goals for each chosen strategy
- assign major responsibility for each goal (e.g. board committee, executive director)
- develop objectives and action steps (Note: The Strategic Planning Team may assign the development of objectives and action steps to other entities within the organization like board committees or management).

### Format of the Strategic Plan

After the strategies, goals and objectives have been developed, it should be organized into a formal document. Consultants differ on the length of this document and what it should include. The following are elements to consider:

#### *Body of Plan*

**Executive Summary** -- This is written to the scope and level of content that an "outsider" can read the summary and grasp the mission of the organization, its overall major issues and goals, and key strategies to reach the goals

**Authorization** -- This page includes all of the necessary signatures from the board of directors (if applicable) and other top management designating that they approve the contents of, and support implementation of, the plan

**Organizational Description** -- This section describes, for example, the beginnings and history of the organization, its major products and services, highlights and accomplishments during the history of organization, etc.

**Mission, Vision and Values Statements** -- These statements describe the strategic "philosophy" of the organization

**Goals and Strategies** -- Lists all of the major strategic goals and associated strategies identified during the strategic planning process.

#### *Appendices*

*The appendices often include information that is more confidential, detail-oriented and/or tends to change a lot.*

**Action Planning** -- Specifies objectives, responsibilities and timelines for completion of objectives

**Description of Strategic Planning Process Used** -- Describes the process used to develop the plan, who was involved, the number of meetings, any major lessons learned to improve planning the next time around, etc.

**Strategic Analysis Data** -- Includes information generated during the external analysis (for example, environmental scan) and internal analysis (for example, SWOT analysis), and includes listing of strategic issues identified during the these analyses

**Goals for Board and Chief Executive Officer** -- Goals of the board and CEO should be directly aligned with goals identified during strategic planning. This appendix will list goals for the board and can include recommendations for redesigning board committees to be associated with strategic goals. The appendix also lists goals for the CEO goals -- these can

be used (along with the CEO job description) to form the basis for performance evaluations of the CEO.

**Budget Planning** -- Depicts the resources and funding needed to obtain and use the resources needed to achieve the strategic goals. Budgets are often depicted for each year of the term of the strategic plan

**Operating Plan** -- Describes the major goals and activities to be accomplished over the coming fiscal year.

**Financial Reports** -- Includes last year's budget (with estimated expenses and the actual amounts spent), this year's current budget (again with estimated amounts and actual amounts spent), a balance sheet (or in the case of nonprofits, a statement of financial position), income statement (or in the case of nonprofit, a statement of financial activities), etc.

**Monitoring and Evaluation of Plan** -- Include criteria for monitoring and evaluation, and the responsibilities and frequencies of monitoring the implementation of the plan

**Communication of Plan** -- Describe the actions that will be taken to communicate the plan and/or portions of it, and to whom

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## **Implementing Your Strategic Plan**

Successful implementation of the strategic goals usually requires:

- Developing an operational plan and budget
- Communicating to internal and external stakeholders the strategic goals
- Developing a mechanism to monitor the status of the activity (process evaluation)
- Developing a process for making adjustments when the assumptions upon which the plan was based change or new opportunities present themselves.

### Operational Plan and Budget

To begin implementation, the strategic plan may need another stage of detail -- an annual operation plan and an annual budget. The annual operating plan provides a detailed plan in the language of objectives, action steps and responsibilities. The budget provides a detailed plan in the language of dollars, organized by types of revenue and types of expenses. The operating plan describes what services will be provided, what types of action will be conducted to provide these services and who is responsible. The budget describes how much it will cost to carry out the plan.

An operational plan provides a one-year plan of operations for a nonprofit organization. It is usually based on the organization's long term strategic plan. The detail in an operational plan includes specific goals and objectives along with action steps, responsible parties and deadlines for accomplishing each task. The operational plan provides each staff member, volunteer, manager, Executive Director, board member, and board committee chair with an understanding of what is expected of him or her over the next twelve months and how his/her actions along with his/her peers will lead to the organization having a significant impact.

The level of detail in an operational plan is inappropriate for a strategic plan. The operational plan should include both continuing or ongoing work as well as the critical issues addressed in the strategic plan. It brings the full organization's workload (both board and staff) together in one document. The operational plan should be developed at the same time as the organization's budget since they are closely intertwined. Staff performance evaluations should also be linked to what is listed in the operational plan.

Just as monthly financial statements often present a budget for revenue and expenses and compare the budget with actual figures for a given time period, so should operation plans allow for the same type of comparison: the plan declares budgeted work in terms of goals and objectives for each program area and management/operations function and reports the actual progress on a monthly or perhaps quarterly basis. The operating plan "budget-to-actual" report, along with the financial "budget-to-actual" report, gives a clear reading of how the year is going.

### **Monitoring and Evaluating Your Strategic Plan**

Your organization will need to monitor and evaluate the plan on a regular basis once implemented is occurring. Strategic planning is a dynamic process, therefore it is really never completed. However, there is a rhythm that needs to be established, for by necessity the intensity of information gathering, analysis, and decision-making has ebbs and flows. Each organization needs to decide the rhythm of their planning efforts. For every organization there should be time set aside to do strategic planning, develop an annual operational plan and budget, and then to implement these plans. Implementation is going on all the time. The development of annual operational plans happens once a year. A formal strategic planning process should happen every three to five years, but the strategic plan should be monitored at least yearly, to assess progress toward the achievement of the goals, and to modify if necessary to reflect the usually ever changing environment.

On a regular basis, no less than once a year, the Strategic Planning Team should monitor the progress that has or has not been made toward the completion of the strategic plan, and assess whether any major or minor adjustments should be made to the strategic plan. As part of this monitoring process, the Strategic Planning Team should address the following questions:

- Is the current strategic plan on target? What has or has not been accomplished?
  - Are the assumptions of the internal and external environment still valid?
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## STRATEGIC PLANNING

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*Nevada Network Against Domestic Violence*

- What are the current issues that are facing the organization, and after discussing these issues, are there any changing or new priorities that have to be added to the strategic plan?
- Are there new performance targets, and/or modified intermediate checkpoints that need to be looked at?

*Source: Adapted from Allison, Michael and Jude Kaye. Strategic Planning in Nonprofit Organizations. © 1997 John Wiley and Sons Permission has been provided to The Oertel Group for use with its nonprofit clients.*

### **Communicating the Strategic Plan to Key Constituencies**

Note that certain groups of stakeholders might get complete copies of the plan, including appendices, while other groups (usually outside of the organization) might receive only the body of the plan without its appendices.

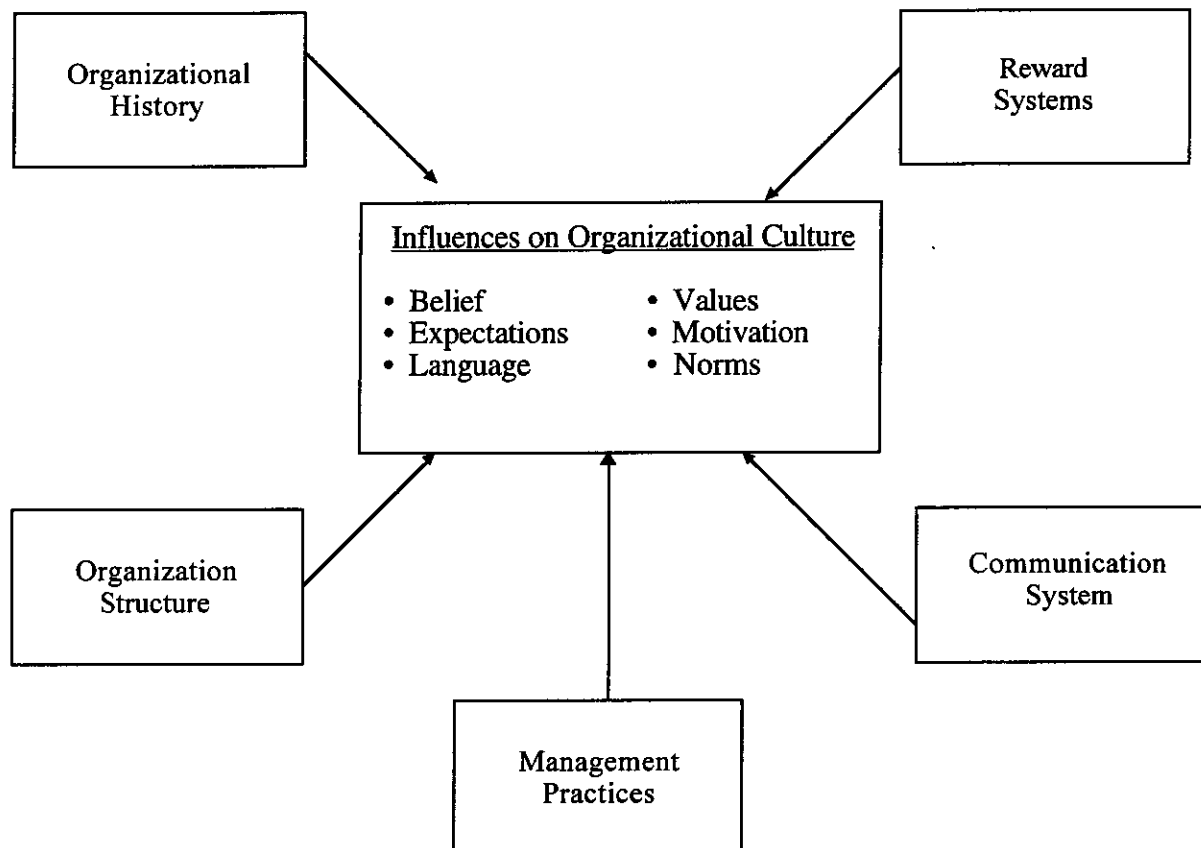
1. Every board member and member of management should get a copy of the plan.
2. Distribute the Executive Summary and/or strategic goals to everyone who provided input to the assessment process.
3. Consider distributing all (or highlights from) the plan to everyone in the organization. It's amazing how even the newest staff member gains quick context, appreciation, and meaning from review of the strategic plan.
4. Post your mission and vision and values statements on the walls of your main offices. Consider giving each employee a card with the statements (or highlights from them) on the card.
5. Publish portions of your plan in your regular newsletter, and advertising and marketing materials (brochures, ads, etc.).
6. Train board members and employees on portions of the plan during orientations.
7. Include portions of the plan in policies and procedures, including the employee manual.
8. Consider copies of the plan for major stakeholders, for example, funders/investors, trade associations, potential collaborators, vendors/suppliers, etc.

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## Organizational Culture and Values

### What Influences Organizational Culture



Source: Pappas, Alceste. *Re-engineering your nonprofit organization*, © 1996 John Wiley & Sons, Inc.

## Applying Cultural Concepts to Organizations

Like all other social units, all organizations (big and small) have cultures. *Organizational culture* can be defined as the patterns of values and assumptions that affect how people interpret events and how they behave relative to those events. The theory surrounding organizational culture is based on a series of assumptions about the nature of organizations.

- What is most important about any event is not what happened but *what it means*.
- The meaning of an event is determined not simply by what happened but by the ways people *interpret what happened*. In fact, the same event may have very different meanings for different individuals.
- Much of what happens within organizations is ambiguous or uncertain. It is, therefore, difficult or impossible to know what happened, why it happened, or what will happen next.
- Such ambiguity and uncertainty make rational approaches to analysis, problem solving, and decision making very difficult.
- When faced with uncertainty and ambiguity, *humans create symbolic ways to interpret what is happening* in order to reduce ambiguity, resolve confusion, increase predictability, and provide direction. Even when the events remain illogical, random, fluid, or meaningless. The created realities (which comprise the culture) make them seem otherwise.
- Because events do not have intrinsic meanings in and of themselves, such meanings are *created and learned* within a social context. Many organizational events are more important for what they express than for what they produce (Bolman and Deal 1991).

As a result, the people within an organization develop a series of symbolic understandings that comprise the organization's culture. Newcomers to an organization may find it difficult or even impossible to sort out the ambiguity which surrounds much of organizational life until they develop an understanding of the shared cultural interpretations. The culture of an organization enables people to interpret events more easily; resulting in behavior that is more rational and predictable.

Work groups within a single agency can also develop their own subcultures, resulting in multi-layered cultures all within one organization. Likewise, an organization's culture may reflect its developmental stage. For example, young organizations often have very fluid cultures as the individuals in them are still coming to consensus about how to interpret events. Organizations that have been around longer generally have more entrenched cultures that can be resistant to change. Even developed cultures may experience profound changes under new leadership or following a period of major reorganization.

It has been said that "culture is to the organization what personality is to the individual—a hidden, yet unifying theme that provides meaning, direction, and mobilization" (Kilman et al. 1985). Culture, therefore, will likely guide and inspire individual behavior much more effectively than formal rules and regulations, structured authority, and prescribed rationality. *In effect, it is the organizational culture that provides the energy that motivates and provides direction to people within organizations!*

### Components of Organizational Culture

Organizational culture is more easily understood when divided into three levels. Level One is composed of the visible artifacts of the culture. (The term "artifacts" has been borrowed by those discussing organizational culture from cultural anthropologists. Artifacts are the creations that are the products of social units.) Level Two is comprised of the organization's values. Level Three is composed of basic underlying assumptions. The next three sections of this chapter will take a closer look at each of those levels.

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## **Level One: Artifacts**

The artifacts of an organization's culture are the creations (activities, behaviors, events) which comprise the most visible level of that culture. Outsiders can often see this level of an organization's culture quite clearly, while those inside the organization may be less aware of their own cultural artifacts. However, outsiders are unlikely to be able to understand what the artifacts really mean. Level One cultural artifacts include the following:

**Heroes.** These are the central figures within the organization's culture. In small nonprofits, a hero is likely to be the founder of the organization. However, a hero can also be that person who sets the standards of service within the organization, or perhaps someone who is well known for expert handling of the press or organizational critics.

**Priests.** These individuals act as caretakers for the organization's rites, rituals, and ceremonies. They take responsibility for and assume a central role in performing prescribed activities. They ensure that there are no deviations from standard practices such as recognition of staff and others, proper acknowledgment of political and financial support, and continuity to special events like staff retreats or promotions.

**Storytellers.** The individuals within an organization who retell the myths and repeat the shared history of the organization are known as storytellers. They are frequently the experts on the "way things are done around here" and can tell you how current practices came to be and offer justifications as to why those particular practices are superior to other ways of doing things. The individuals who act as storytellers may act in the roles of priest and hero as well, particularly in small or new organizations.

**Myths.** These are the traditional and legendary stories that convey the past history of the organization. Such stories may be factual or they may be embellished versions of history. For example, one nonprofit organization shows newcomers a video about the founding of the organization that glorifies the dedication of the founder and the importance of the mission for the organization. Cultural heroes often play a central role in the myths of an organization and the myths are usually perpetuated by the storytellers.

**Uniforms and Language.** Such artifacts can play an important role in defining membership in the culture. Uniforms may be as simple as clothing of a special color, as subtle as norms about casual or business attire, or as official and identifiable as complete uniforms. More importantly, they serve to identify who belongs to the group. Similarly, slogans, acronyms, jargon, and special meanings for words enable members to communicate in ways that can only be completely understood by insiders. Both uniforms and language provide group cohesion and a sense of belonging to something special and unique.

**Celebrations and Ceremonies.** These are the special, even sacred rites and observances that fallow prescribed forma. They can include such activities as the indoctrination of new employees, annual picnics, and retirement parties. For example, one small nonprofit organization celebrates completion of each year's budget preparation with a potluck dinner at the home of a board member.

**Rites.** Rites are the more mundane, yet prescribed, occurrences that occur with some regularity. They generally conform to set patterns of *ritualistic behavior*. They may take the form of everyday coffee breaks, weekly staff meetings, or periodic inservice training programs. Rites also include ritualized management practices and responses to events.

**Behavioral Norms and Standards.** Also included as Level One cultural artifacts are behavioral norms and standards. Examination of norms and standards for performance can provide valuable insight into what is valued by the organization. Norms and standards can be very resistant to change, even when explicit policy statements are made to the contrary.

Other cultural artifacts include humor (what the individuals within an organization find to be funny), communication patterns, the distribution of power, and standardized ways for handling problems and

conflicts. One final aspect focuses on who gets ahead in the organization (and who doesn't) and how such achievers are rewarded (or conversely, how misfits are punished).

### ***Level Two: Values***

The second level of culture includes the values that are shared by members of the culture. Such values come to be shared by the members of an organization as they collectively deal with organizational problems.

When a suggested solution to an organizational problem works and the group experiences a shared sense of success, the group will likely adopt it as a value. When the value continues to provide the group with effective solutions to their problems, the stated value begins a process of what is called by the academics "cognitive transformation." If the application of the value continues to be effective, it then becomes a Level Three basic underlying assumption for the organization. However, the solution must continue to work in order for the transformation to ultimately become complete. If the solution does not work reliably, it may still continue to function as a value, but at the second level of the organization's culture.

### ***Level Three: Basic Underlying Assumptions***

According to Schein, the testing of an organization's value against reality (observing if the solution continues to work in a variety of circumstances) is necessary for a value to become a basic underlying assumption. When solutions to problems work reliably and repeatedly, they then come to be taken for granted by the organization (Schein 1987:391).

*Source: Clifton, Robert L. and Alan M. Dahms. Grassroots Organizations, © 1993 Waveland Press, Inc.*

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