

Nonprofit Strategic Planning for Sustainability

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Nonprofit Strategic Planning serves as a cornerstone to ensure that an organization thrives over the long run, and, if done well, integrates a number of the Standards. In fact, it's as essential as steering is to a ship, keeping the vessel on track to a desired destination. What nonprofit leaders don't know about strategic planning can severely hinder their organizations' mission and results, and often gives planning a bad name.

Here's a primer specifically designed to help nonprofit leaders identify effective strategic planning processes and those to avoid. Carefully crafted nonprofit strategic planning produces a host of benefits. In fact, in its most productive form, strategic planning will:

- Introduce valuable knowledge about communities and clients served as well as unmet needs.
- Evaluate organizations' current product and/or service offerings against best practices and product and industry lifecycles.
- Anticipate and meet the challenges of ongoing organizational, regional and global change.
- Prioritize and introduce new mission-focused programs, products or services.
- Identify strategic infrastructure investments required to take the organization to "the next level."
- Discover new funding strategies and sequence resource allocation.
- Develop a clear implementation action plan and calendar.
- Build board and management consensus and buy-in.
- Engage staff in supporting the future vision and attaining set goals and objectives.



- Measure the outcomes and impact of efforts and investments.
- Monitor successes and setbacks and ensure that the organization responds accordingly.

The hallmark of effective strategic planning is its visionary aspect. Too often, strategic planning is mistaken for operational planning; outlining the next phase of what is already “in the works.” Some organizations write plans to implement programs for which funding is available. In other words, they follow the money. Many nonprofits use what I call the “warm/fuzzy” approach to strategic planning: they hold a half day facilitated retreat where they all sit around and sing “Kumbya,” and then nothing happens.

These examples of planning often referred to as “strategic” lack meaningful strategic thinking and appropriate “orchestration” and, as a result, often sit on the shelf. These plans lack implementation systems that explain how goals and objectives will be accomplished with accountability, resources and time-frames.

Well-designed nonprofit strategic planning encompasses a five-phased approach:

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1. **Where are we now?** This critical environmental assessment phase gathers and reviews data to draw conclusions and raise key strategic questions. It has two components:
 - **Evaluation** — Review your mission statement and ensure that it is still relevant. Assess the past performance of the board and organization in order to gain an accurate picture of strengths and gaps. Analyze how your current products, services and programs fit the mission and compare to best practices and emerging industry trends. Conduct board and organizational assessments and identify recommendations to make changes to maximize board and organizational effectiveness.
 - **Needs assessment**—Action items include listening to the “voice” of customers and stakeholders as well as understanding the need for current products and/or services and vetting new ideas. Identifying current resources, analyzing financial capability, debt capacity and cash available for strategic investment, government/policy changes and other top priorities for mission fulfillment are crucial to an effective plan.
2. **Where do we want to be?** This phase articulates desired **outcomes**. Process steps include how the vision will be operationalized into new programs and services and results in identifying goals, objectives and new program possibilities. This phase also typically includes a board retreat to ensure that the board and management share the vision and agree on goals and objectives.
3. **How will we get there?** The **implementation** addresses and vets organizational strategies to achieve established visionary goals. If done well, this phase includes specific action plans and calculates the human, capital and operating resources required to implement the plan.
4. **Who will do what?** Delegated objectives and **defined action plans** including performance expectations for the CEO are the hallmark of this phase that includes development of funding strategies and making a case for support for any new initiatives. Appropriately sequencing activities and creating board and staff alignment are critical success factors.
5. **How are we doing?** Measuring the outcomes and impact of programs and implementation activities is a key component of the **review** phase. Rewards and recognition improves performance. Periodic dialogue (quarterly is best!) about what is working and where the organization is stuck is essential to make the plan a living document. Those who are willing to identify and remove barriers improve their ability to achieve success.

Strategic plans should never have more than five goals. Employees, board members and key stakeholders should be able to “count off” each of the goals using the fingers on one hand. Five (or even fewer) goals are much easier to communicate and reinforce.

Effective nonprofit leaders recognize that they have to think through how their organizations must adapt to expectations including more complex and challenging needs in their communities. They also need to understand how global and industry trends are and will affect the sustainability of their organizations. Effective nonprofit strategic planning accomplishes this and more.

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Founded in 1998, Strategy Solutions, Inc., is dedicated to facilitating creative solutions to ensure the sustainability of public, private and nonprofit organizations and create healthy communities.

Our unique process of combining analytical research capabilities, group process techniques, and planning tools blended with enthusiasm, energy, and total dedication to each client's success has resulted in hundreds of clients who have achieved remarkable outcomes.

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