

How do an Annual Plan and Strategic Plan Differ?

Nonprofits are best served by both **annual plans** and **strategic plans**. The plans should be interconnected with the annual plan serving as a shorter-term implementation tool to advance the strategic plan objectives. **That said, how do they differ?**



Time Frame

An annual plan encompasses a single year with goals, activities, and deliverables to be achieved within a 12-month period, and a strategic plan covers a longer time period, typically 3-5 years.



Development

Developing a strategic plan includes evaluating an agency's internal and external environment using quantitative and qualitative information to inform the strategic priorities. A common method to do so, but by no means the only one, is to conduct a SWOT (Strengths, Weaknesses, Opportunities, Threats) analysis. In addition, a strategic plan should engage key stakeholders and be approved by the Board. An annual plan does not typically require the same level of assessment or involvement or board authorization.



Scope

An annual plan outlines detailed tactics that will meet immediate agency needs, whereas a strategic plan documents the broader vision and the longer term high-level organizational objectives. The strategic plan offers a framework for decision making as the plan is just as much about what an organization will NOT be focusing on as it is about what it will prioritize. As such, we suggest limiting strategic priorities to no more than five over the plan's time frame.



Audience

An annual plan will primarily be used by the internal team, such as staff members focused on execution. The strategic plan is meant to be shared more widely, including with board members, external partners, and other key stakeholders.

Despite these differences, both strategic and annual plans should include specific **action steps** with corresponding resources to be allocated, timelines, and metrics to monitor progress for each plan objective. Perhaps most critically, **assigning responsibility** to specific named team members for each plan objective will help ensure accountability and implementation. Moreover, agencies should have a **process for regularly reviewing and evaluating** both strategic and annual plans progress and effectiveness.

*Strategic planning can be greatly enhanced by third party facilitation which provides an outside perspective, energizes participants, and helps groups maintain focus. For comprehensive **strategic planning services** including **tools to help guide organizational decision making and plan monitoring** please visit sheerstrategy.com or contact us at (215) 680-0684.*