

NGO STRATEGIC PLANNING

ERASMUS +

STEPS4LIFE PROJECT
TRAINING FOR TRAINERS

FEBRUARY 22-MARCH 1, HA LONG, VIETNAM

WHY ARE YOU INTERESTED IN STRATEGIC PLANNING?

Are you worried about your organization's future?

What are the critical issues facing your organization?

Does your organization meet community needs or is it out-of-date?

WHY ARE YOU INTERESTED IN STRATEGIC PLANNING?

Are there other organizations doing similar work in your community?

Do your donors ask about the future direction of your organization and what its focus will be?

Does your organization need to make change to face the future?

MISSION

Purpose or reasons for the organization to exist.

David Packard describes this as "a group of people get together and exist as an institution...so they are able to accomplish something collectively that they could not accomplish separately - they make a contribution to society..."

Purpose lasts for a long time and is only rarely fulfilled. However, it is important to regularly (e.g., every 5-10 years) test the validity of mission.

To articulate your mission, begin by answering the following questions, with a large group of stakeholders in your organization. Then take the answers and draft a clear and concise mission statement.

MISSION TYPICALLY ANSWERS THE FOLLOWING QUESTIONS:

Why is it important that your organization continue to exist?

What would be lost if your organization ceased to exist?

What is the end result if the organization exists?

What is the product of your investment of time and resources?

What are the basic means to achieve the end result?

Who is the target audience and what is the geographic reach?

ORGANIZATIONAL CAPACITY

The ability of your nonprofit to effectively carry out its mission.

VISION

The picture of our desired future.

Vision describes what we aspire to become, where we want to be and what we want to look like.

The dictionary describes vision as something seen in a dream; the power of imagination; and unusual discernment or foresight.

Envisioning our future is a creative act. The resulting picture – unrealized dream – serves as the unifying focal point for action. This is where we want to go. This reflects our hopes and aspirations.

WHAT ARE VALUES?

A value is an enduring belief that a specific mode of conduct is personally or socially preferable to another.

Individuals have values. These values guide our actions and judgments. Our values are the standards that influence us as we make choices among alternative courses of action. Value systems are relatively permanent frameworks that shape and influence our behavior.

WHAT ARE VALUES?

Groups have values too.

The key is, the group must articulate its values. These shared values then provide the framework that guides the actions and judgments of the group (or organization).

Groups (and organizations) operate best through consensus and unity of purpose and action. This means that the individual's values must match those of the collective entity. This "values match" is essential to the health and effectiveness of the group and is essential to the well being of the individual participant.

Values "define the enduring character of the organization."

"We have [values] because they define for us what we stand for, and we would hold them even if they became a competitive disadvantage in certain situations."

WHAT ARE VALUES?

Articulating values is one of the most important things that a group (or organization) does. Too often, groups go forth, stating, "everyone knows what we value." All too often, conflict emerges - and it's a values conflict because that which was implied was not made explicit.

When groups get together to clarify values, each individual must participate actively in the dialogue, with candor and honest feeling. Each individual must decide if s/he can support each value. To produce consensus, ask, "Is there anyone in the group who cannot live with this?"

WHAT ARE VALUES?

Prized and cherished. A value is something you prize and cherish.

Publicly affirmed. You must be willing, when appropriate, to publicly affirm what you value.

Available alternatives. There must be the possibility of freedom, i.e., available alternatives.

Chosen intelligently. A true value is chosen intelligently, after consideration of the consequences.

Chosen freely. A true value is chosen freely, after considering the consequences.

Action. A true value involves acting on your belief. The final test of a value is action.

WHAT IS PLANNING? PLANNING FOCUSES ON LEARNING CHANGE. IS YOUR NONPROFIT READY?

"Planning means changing minds, not making plans.

[The best outcomes] depend upon the ability of a NGO's leadership] to absorb what is going on in the business environment and to act on that information with appropriate business moves.

"In other words, [good outcomes] depend upon learning. Or, more precisely, on institutional learning, which is the process whereby management teams change their shared mental models of their company, their markets, and their competitors.

SETTING THE CONTEXT FOR STRATEGIC PLANNING

The community decides if your organization is relevant. Strategic planning is a process to assure relevancy.

To be relevant, your organization may need to adjust its mission. So effective strategic planning tests your mission.

The process of strategic planning should make your organization stronger. Effective planning develops your organization's capacity to adapt.

The strategic plan is not an outline of how you plan how to move from where are you today to where you want to be

BASIC PRINCIPLES OF EFFECTIVE STRATEGIC PLANNING

"If I had an hour to save the world, I'd spend 55 minutes defining the problem." (*Albert Einstein*)

Process is as important as the resulting plan. Good process produces understanding and ownership, and enhances a culture of questioning, learning, and change.

Planning is not static, but rather ongoing.

Planning is a process of self-examination.

Involve your constituents in the planning process. They provide important information and you need their understanding and ownership of the resulting plan.

Planning examines program and infrastructure.

Infrastructure refers to all the systems and activities that support your organization's programs. For example: management, governance (the board), marketing, fund development, technology, etc.

Quality information is essential to support effective strategic planning.

INVOLVE YOUR CONSTITUENTS

Define who your constituents are and decide how they will participate in the planning process. For example: Who provides information? Who actually has a voice in decision-making? Who needs to be informed?

Make sure that your planning process engages staff and the full board of your nonprofit / NGO.

If you use a strategic planning committee, its authority and scope of work should be fairly limited.

USING QUALITY INFORMATION TO MAKE QUALITY DECISIONS

"It's what we think we already know that often prevents us from *learning*. (Claude Bernard, French physiologist)

Quality information helps produce quality decisions.

Quality information includes analysis of trends and implications - and is used to stimulate quality conversation.

USING QUALITY INFORMATION TO MAKE QUALITY DECISIONS

What kind of information does your nonprofit need to support good strategic planning? Where will you find this information?

External trends / issues: global, demographic, social, work / workplace, science and technology, economic, business, government and regulation

Mission / program: community needs assessment, review of similar nonprofits

Capacity of your nonprofit: governance, management, fund development, marketing / communications, planning, etc. Securing information to make quality decisions

KEY STEPS IN AN EFFECTIVE PLANNING PROCESS

"Everything will turn out all right - unless something unforeseen crops up." (*Samuel Beckett*)

Clarify your organization's values. Values set the framework for planning and all of your work. (The challenge is to live the values.)

Conduct a SWOT analysis (internal strengths and weaknesses, and external opportunities and threats). This helps you decide what kind of information you should gather to support the planning process.

KEY STEPS IN AN EFFECTIVE PLANNING PROCESS

Collect and analyze the information. Identify the themes. Prepare a summary that is reviewed by all participants who attend the decision-making retreat.

Convene your decision-making retreat.

Who should attend your organization's retreat?

At the retreat, discuss the implications of the compiled information. Talk about learning and change.

Define your vision and priorities for the future.

Provide a summary of decisions made at the retreat to all retreat participants.

KEY STEPS IN AN EFFECTIVE PLANNING PROCESS

Based on the decisions made at the retreat, draft the vision and goals. Then outline the strategies to move from today to the future that your organization wants.

Review your mission and make adjustments if necessary. Remember: Your organization must be relevant - or it should go out of business.

Draft the multi-year strategic plan. Secure formal approval, typically from the board.

KEY STEPS IN AN EFFECTIVE PLANNING PROCESS

A quick tip: Throughout the planning process, provide regular updates to your key constituencies.

Remember: You want to build understanding and ownership.

Implement the plan.

Monitor progress. Use the multi-year strategic plan to establish annual priorities and budget.

KEY STEPS IN AN EFFECTIVE PLANNING PROCESS

As necessary, adjust the plan. But be careful. The plan provides your framework. Flexibility is important because things change. But too much flexibility compromises the plan and the planning process.

Get ready to update and extend the plan.

CHALLENGES TO STRATEGIC PLANNING PROCESS

"It will not do to leave a live dragon out of your plan if you live near one." (*JRR Tolkien, The Hobbit*)

Sometimes organizations ignore critical issues - the "elephants in the room" or "the skeletons in the closet." Why? Fear of conflict. Inadequate self-reflection to identify the most difficult issues. Reluctance on the part of certain individuals to discuss the issues and reluctance on the part of others to demand dialogue.

CHALLENGES TO STRATEGIC PLANNING PROCESS

Your organization may not be very good at questioning and dialogue.

What challenges might you face and how will you overcome them?

"There is nothing more difficult to carry out, nor more doubtful of success, nor more dangerous to handle, than to initiate a new order of things."

(Machiavelli)

STRATEGIC PLANNING KEY RESULTS

Produces shared vision and direction of your organization and define how to get there.

- * Test validity of your mission and perhaps recommend adjustments or major change.
- * Define your direction.
- * Decide priorities and set limits.

STRATEGIC PLANNING KEY RESULTS

Justifies your organization's existence in the community and clarify your organization's position in the marketplace.

- ✦ Assess community needs.
- ✦ Identify responses to meet those needs and gaps in meeting those needs so that your organization can choose what it will be and do.
- ✦ Examine institutional capacity and capability to meet the needs.

STRATEGIC PLANNING KEY RESULTS

Identifies constituents and build stronger relationships with them.

- * Identify new constituents.
- * Bring current constituents closer to the organization.
- * Build constituent understanding of community needs and your organization's response.

STRATEGIC PLANNING KEY RESULTS

Builds an aligned, cohesive organization.

- ✦ Engage the hearts and minds of those closest to the organization.
- ✦ Produce positive experiences for participants.
- ✦ Foster shared vision, ownership, and teamwork.
- ✦ Bring key constituents closer together and give permission for others to move on.
- ✦ Mobilize people for investment of time, money, and action.
- ✦ Clarify roles and relationships and distribute workload.
- ✦ Build cross-functional bridges.

STRATEGIC PLANNING KEY RESULTS

Builds a learning organization.

- ★ Encourage pluralism and diversity.
- ★ Develop individual and team skills.
- ★ Foster flexibility within a general direction.
- ★ Encourage critical thinking and creativity.
- ★ Enable the organization to use its strengths for comparative advantage and to mobilize against threats.
- ★ Develop capacity to detect and respond to changes in the internal and external environments.
- ★ Create a forum for conversation, dialogue, and improved consensus decision-making.

STRATEGIC PLANNING KEY RESULTS

Identifies cost of doing business and income sources.

Justify fund development and create case for support.

Sets benchmarks for success.

- ★ Define accountability.
- ★ Outline criteria for success and evaluation process.
- ★ Establish general time frames.

STRATEGIC PLANNING KEY RESULTS

Produces the best planning process and written plan.

- * Create a visionary guide and practical governance and management tool.
- * Guide annual work plans and budgeting for staff, board, and volunteers.
- * Assign responsibility.
- * Support staff and board assessment.



STEPS IN THE STRATEGIC PLANNING PROCESS

1. Formally agree to do planning. (The board must take this action and the CEO must be the leader.)
2. Engage key constituents in the planning process.
3. Get ready to plan.
4. Launch the process with board, staff, and planning committee.

STEPS IN THE STRATEGIC PLANNING PROCESS

5.Design the planning process, develop the market research outline, and conduct the research.

6.Articulate (or review) values.

7.Tabulate research results, analyze findings, and prepare findings report.

8.Design the decision-making process.

9.Discuss findings and determine implications.

STEPS IN STRATEGIC PLANNING PROCESS

10. Determine direction (or vision or priorities).
11. Review (and possibly adjust) mission.
12. Determine goals and strategies.
13. Identify core competencies and supporting structure.
14. Establish benchmarks for success (also called key performance measures).

STEPS IN STRATEGIC PLANNING PROCESS

15. Assign time frames and entities responsible for strategies.

16. Project costs and income sources.

17. Outline process to monitor progress of plan, evaluate performance, and extend plan for subsequent years.

18. Write the multi-year strategic plan, review, and adopt.

STEPS IN STRATEGIC PLANNING PROCESS

19. Annually review progress of the plan and identify priorities for the fiscal year, based on the multi-year plan. Then develop your annual budget.

20. Translate the plan into personal commitment. For example, include progress on the plan as part of staff performance appraisal.

SECTIONS OF NGO STRATEGIC PLAN

1. Organization's name, contact information, and date the plan was adopted by the board.
2. Brief history of the organization plus a description of why you decided to do planning. You might also wish to briefly describe the critical issues facing the organization.
3. Brief description of the planning process and the research methodology. The actual research results are presented as a separate information package, which is referred to in the final plan but not included.

SECTIONS OF NGO STRATEGIC PLAN

4. Restatement (or revision) of mission.

5. Statement of values.

6. Description of vision for the future, your strategic direction.

7. Program and infrastructure goals.

8. Specific strategies, entities responsible and time frames to carry out each strategy.

(Remember, this is not the staff or committee action plan. These are general strategies to achieve the overall goals.)

SECTIONS OF NGO STRATEGIC PLAN

9. Description of resources necessary including financing and staffing. For some organizations, it also may be useful to outline the core competencies required to achieve the vision.

10. Some organizations include within the plan, their benchmarks to measure when they have achieved their goals. Other organizations establish benchmarks on an annual basis, as a technique to focus priorities for each year.

SECTIONS OF NGO STRATEGIC PLAN

11. Description of the financing for the plan. Some organizations prepare multi-year financial projections for the length of the plan. Other organizations write a narrative description of financing issues and then prepare a budget annually.

12. Description of how the plan will be monitored, performance evaluated, and the plan extended. (It may well be that the organization has not yet achieved its vision by the time the 3-5 year plan is concluded. The next plan would continue to work towards the same vision.)

13. Calendar of key dates / major timeframes, often done by quarter of a year

TIPS TO REMEMBER

Planning does NOT stop once you adopt a plan.

Planning is an ongoing process of observing, assessing, asking questions, listening and learning. And changing.

That's the way to do business if we want to survive.

TIPS TO REMEMBER

Make the plan real.

Everyone - board, committees, staff - use the plan as the basis for discussion, decision-making, budgeting, and all activities.

Balance flexibility with holding our feet to the fire.

New opportunities and challenges may come up while we implement the plan.

TIPS TO REMEMBER

We will have to be aware of these.

We may have to (or want to) alter some of our priorities in the plan.

But we will do this with caution, using all we learn.

CHALLENGES TO IMPLEMENTATION

Where are you going as an organization that is different than where you have been?

What are the most important changes represented in the new vision and direction?

What are the most difficult changes, but not necessarily the most important?

CHALLENGES TO IMPLEMENTATION

What additional information do you need to help implement the plan and achieve your vision?

What will you have to do differently to achieve your vision?

What will be most difficult to do and why?

What will be most difficult to change and how will we change?

CHALLENGES TO IMPLEMENTATION

How will this vision and strategic plan alter the work of the board, its committees, and staff?

How will you translate the plan into personal commitment and action?

How will you make sure that your key constituents (e.g. donors, volunteers, members, users, etc.) understand and participate in your vision and direction?

CHALLENGES TO IMPLEMENTATION

How will you know if you are on track with your plan?

What strategies will you use to monitor progress?

How will we hold ourselves accountable?

What kinds of questions should we ask?

What are our benchmarks for evaluation?

What kind of ongoing assessment will we do?

