

Entering the New World of Strategic Planning

June 2012

There was time when every nonprofit would have a long-range plan that it would roll out when completing grant applications or pitching for major gifts. Donors expected it—they wanted to know that the organization knew what it would be doing in five years, or even further out. Today donors are just as interested in a nonprofit's future focus and boards still need to be forward thinking to move the organization toward fulfilling its mission, but the days of "long-range" planning may be over.

With the accelerating rate of change, it's more important to be *strategic* in your planning than long range. Five years ago not many people would have foreseen what has happened since 2007 or had a plan that allowed for contingencies around it. As important as it is to have an on-going planning process, it's critical to be nimble and flexible, to be able to react to outside forces and new opportunities.

A two-year plan with a midterm review (and possibly adjustments) allows for regularly thinking through what the organization should be focusing on. If possible, tying the planning cycle to the term of the board chair will allow another level of "ownership" over the process for each set of incoming board officers. Developing a great strategic plan isn't complicated, but it does take an investment of time. Here's a straightforward four-step plan to accomplish this.

Step 1—Get Input

The first step is the most fun—getting input from major stakeholders. People love sharing their thoughts and opinions. This is an opportunity to be very inclusive in the process. You should seek input from your board members, major donors, recipients of your services, prospects (a great way to engage prospective donors), and community leaders such as major employers, local governmental leadership, and possibly the chamber of commerce. By casting a wide net, you'll get a variety of ideas—admittedly, not everyone will be as informed as others, but you'll still get good input.



How you collect this input will depend on how wide a net you cast and how large the groups are. Certainly face-to-face is the most effective method, and it should be used for those closest to the organization. If you can have face-to-face or phone conversations with prospective donors or other major players you're trying to engage in your efforts, it will be a boon to the planning process and possibly for follow-up conversations after the plan is developed. If you have a large number of folks whom you want to engage (say donors below what you consider "major" donors), then an electronic survey is a good way to get their thoughts. If you go the survey route, be sure to include plenty of opportunities for participants to share opinions besides the structured questions you ask.

As to what type of information to gather, a good format to follow is the classic "SWOT" analysis (Strengths, Weaknesses, Opportunities, and Threats). The graphic to the right summarizes the four quadrants of information that you can gather with this process.

Step 2—Uncover Themes

You now have a lot of data to sort through—and some fantastic ideas. But you'll also have some input that's not practical or pertinent. Nevertheless, everyone who provided input should be acknowledged and thanked, regardless of your initial evaluation of how useful each person's contribution is.

In sorting through your data, you will find many ideas that are similar. Wherever possible, blend these ideas into common themes. Developing common themes will take some creativity and lateral thinking, but it will allow you to focus on the big picture. There could even be competing themes (e.g., greater focus on major donors vs. increased emphasis on annual fund), and that's all right. This is not the time to decide which ideas to follow through on; it's just to clarify the ideas that have been offered.

Step 3—Agree on Priorities

Now comes the tough part—acknowledging that your organization can't do everything that everybody thinks it should. The board should agree to keep the focus of the strategic plan narrow enough to be successful. That means limiting it to four to six focus areas for the next two years. While reviewing the common themes to identify these focus areas, you should ask:

- Are these focus areas clearly within our mission?
- Do they play to our strengths (i.e., what's the likelihood of success)?
- Where will we have greatest impact?
- Do we have the capacity (e.g., staff resources, donor database, etc.) to be successful?
- Is there enough passion that we'll get funding and/or volunteer support?

Keeping the plan narrowly focused will be challenging, and there will be a tendency to compromise by adding more and more areas to focus on. To stick to your guns of maintaining a narrow focus, agree that if you complete one focus area in the time of your strategic plan, you'll add another. That's a great reason to have a mid-plan review a year into the plan. But adding another goal should only happen after you've "hit a home run" with one of the goals you set as your initial focus areas.

Step 4—Set Measurable Goals

You've had that critical final board planning meeting; you've come to agreement on the areas to focus on; now it's time to lay out some measurable goals around the focus areas. *Measurable* is key in your goal setting. You'll want to be able to track progress and report to the board on the great accomplishments that result from the collective efforts in fulfilling the plan. These goals can be organizational but should be established with the mindset that both the board and staff have responsibilities for completing the goals.

The goals should also have deadlines. In some cases, that may be inherent in the goal itself (e.g., increase number of board members by 25 percent in the first year of the plan). In other cases, you may have to take a longer-term goal and break it down into shorter, measurable segments. For example, if you've set the goal to double the annual fund revenue over the two years of the strategic plan, you don't want just to track revenue. You can set intermediate (e.g., monthly or quarterly) goals around the number of appeals done, tactics to increase the donor database, marketing efforts, etc. All of these steps should lead to the ultimate increase in revenue, but they'll allow you to track your progress along the way.

* * * * *

These four straightforward steps create a powerful process to determine what will have the greatest impact in fulfilling your organization's mission. You will end up with not only a workable plan but a board whose members feel engaged and energized, since they were integrally involved in the development of it. Now the fun begins—execute the plan!

- How useful did you find this article? Give us [your feedback](#)

Bill Hoffman, Bill Hoffman and Associates, LLC

© 2012, Bill Hoffman and Associates, LLC

[Bill Hoffman](#) has over 30 years' expertise in various aspects of the nonprofit sector, having worked at all levels of nonprofit organizations, including serving as chief executive of a \$6 million education foundation for 9 years. He and his firm have written and presented on topics ranging from board development to community and volunteer engagement, organizational development and performance, and best practices in national, regional, and state publications and symposia.

Note: The views expressed in this article are those of the author and may or may not represent GuideStar's opinions. GuideStar is committed to providing a range of topics and perspectives to our users. We make every effort to obtain articles from knowledgeable, trustworthy sources, but we make no warranties or representations with regard to articles written by persons outside GuideStar.

