



STRATEGIC PLANNING OVERVIEW

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I. What is strategic planning?

Overview

Strategic planning is a management tool, period. As with any management tool, it is used for one purpose only: to help an organization do a better job - to focus its energy, to ensure that members of the organization are working toward the same goals, to assess and adjust the organization's direction in response to a changing environment. In short, strategic planning is a disciplined effort to produce fundamental decisions and actions that shape and guide what an organization is, what it does, and why it does it, with a focus on the future.

(Adapted from Bryson's Strategic Planning in Public and Nonprofit Organizations)

A word by word dissection of this definition provides the key elements that underlie the meaning and success of a strategic planning process:

The process is strategic because it involves preparing the best way to respond to the circumstances of the organization's environment, whether or not its circumstances are known in advance. Being strategic, then, means being clear about the organization's objectives, being aware of the organization's resources, and incorporating both into being consciously responsive to a dynamic environment.

The process is about planning because it involves intentionally setting goals (i.e., choosing a desired future) and developing an approach to achieving those goals.

The process is disciplined in that it calls for a certain order and pattern to keep it focused and productive. The process raises a sequence of questions that helps planners examine experience, test assumptions, gather and incorporate information about the present, and anticipate the environment in which the organization will be working in the future.

Finally, the process is about fundamental decisions and actions because choices must be made in order to answer the sequence of questions mentioned above. The plan is ultimately no more, and no less, than a set of decisions about what to do, why to do it, and how to do it. Because it is impossible to do everything that needs to be done in this world, strategic planning implies that some organizational decisions and actions are more important than others - and that much of the strategy lies in making the tough decisions about what is most important to achieving organizational success.

The strategic planning can be complex, challenging, and even messy, but it is always defined by the basic ideas outlined above - and you can always return to these basics for insight into your own strategic planning process.

Strategic Planning and Long-Range Planning

Although many use these terms interchangeably, strategic planning and long-range planning differ in their emphasis on the "assumed" environment. Long-range planning is generally considered to mean the development of a plan for accomplishing a goal or set of goals over a period of several years, with the assumption that current knowledge about future conditions is sufficiently reliable to ensure the plan's reliability over the duration of its implementation. In the late fifties and early sixties, for example, the US. economy was relatively stable and somewhat predictable, and, therefore, long-range planning was both fashionable and useful.

On the other hand, strategic planning assumes that an organization must be responsive to a dynamic, changing environment (not the more stable environment assumed for long-range planning. Strategic planning, then, stresses the importance of making decisions that will ensure the organization's ability to successfully respond to changes in the environment.

Strategic Thinking and Strategic Management

Strategic planning is only useful if it supports strategic thinking and leads to strategic management - the basis for an effective organization. Strategic thinking means asking, "Are we doing the right thing?" Perhaps, more precisely, it means making that assessment using three key requirements about strategic thinking: a definite purpose is in mind; an understanding of the environment, particularly of the forces that affect or impede the fulfillment of that purpose; and creativity in developing effective responses to those forces.

It follows, then, that strategic management is the application of strategic thinking to the job of leading an organization. Dr. Jagdish Sheth, a respected authority on marketing and strategic planning, provides the following framework for understanding strategic management: continually asking the question, "Are we doing the right thing?" It entails attention to the "big picture" and the willingness to adapt to changing circumstances, and consists of the following three elements:

- formulation of the organization's future mission in light of changing external factors such as regulation, competition, technology, and customers
- development of a competitive strategy to achieve the mission
- creation of an organizational structure which will deploy resources to successfully carry out its competitive strategy.

Strategic management is adaptive and keeps an organization relevant. In these dynamic times it is more likely to succeed than the traditional approach of "if it ain't broke, don't fix it."

What Strategic Planning Is Not

Everything said above to describe what strategic planning is can also provide an understanding of what it is not. For example, it is about fundamental decisions and actions, but it does not attempt to make future decisions (Steiner, 1979). Strategic planning involves anticipating the future environment, but the decisions are made in the present. This means that over time, the organization must stay abreast of changes in order to make the best decisions it can at any given point - it must manage, as well as plan, strategically.

Strategic planning has also been described as a tool - but it is not a substitute for the exercise of judgment by leadership. Ultimately, the leaders of any enterprise need to sit back and ask, and answer, "What are the most important issues to respond to?" and "How shall we respond?" Just as the hammer does not create the bookshelf, so the data analysis and decision-making tools of strategic planning do not make the organization work - they can only support the intuition, reasoning skills, and judgment that people bring to their organization.

Finally, strategic planning, though described as disciplined, does not typically flow smoothly from one step to the next. It is a creative process, and the fresh insight arrived at today might very well alter the decision made yesterday. Inevitably the process moves forward and back several times before arriving at the final set of decisions. Therefore, no one should be surprised if the process feels less like a comfortable trip on a commuter train, but rather like a ride on a roller coaster. But even roller coaster cars arrive at their destination, as long as they stay on track!

II. What are the key concepts in strategic planning?

Values That Support Successful Strategic Planning

The Boylston Group, LLLP has adopted the following guiding principles to support its consulting practice in strategic planning. These are self-explanatory and are offered as one way to approach this work.

Successful strategic planning:

- leads to action
- builds a shared vision that is values-based
- is an inclusive, participatory process in which board and staff take on a shared ownership
- accepts accountability to the stakeholders
- is externally focused and sensitive to the organization's environment
- is based on quality data
- requires an openness to questioning the status quo
- is a key part of effective management.

Key Concepts

What is the difference between strategic planning and long range planning?

The major difference between strategic planning and long range planning is in emphasis. Long range planning is generally considered to mean the development of a plan of action to accomplish a goal or set of goals over a period of several years. The major assumption in long range planning is that current knowledge about future conditions is sufficiently reliable to enable the development of these plans. For example, in the late fifties and early sixties, the American economy was relatively stable and therefore predictable. Long range planning was very much in fashion, and it was a useful exercise. Because the environment is assumed to be predictable, the emphasis is on the articulation of internally focused plans to accomplish agreed upon goals.

The major assumption in strategic planning, however, is that an organization must be responsive to a dynamic, changing environment. The emphasis in strategic planning is on understanding how the environment is changing and will change, and in developing organizational decisions which are responsive to these changes.

In planning lingo, what is the difference between purpose, mission, and vision?

There is a lot of confusion about these three words in the business world. For the sake of clarity, the following definitions are used consistently throughout.

A purpose is an end result, a goal which an organization is seeking to accomplish. Purpose is the answer to the question, "Why does this organization exist?" The answer is to achieve the purpose.

Mission is typically understood as a broader concept. Mission is synonymous with mission statement and includes three major concepts: the purpose (as above), the "business" an organization engages in to achieve this purpose, and a statement of values guiding the accomplishment of the mission.

Finally, vision is the most global concept. A vision is quite literally a mental image of the successful accomplishment of the mission, and thus the purpose of the organization.

What is strategic thinking?

Strategic thinking means asking, "Are we doing the right thing?" It requires three things:

- purpose or end--a strategic thinker is trying to do something
- understanding the environment, particularly of the opponent, or opposing forces, affecting and/or blocking achievement of these ends
- creativity in developing effective responses to the opponent or opposing forces.

What is strategic management?

As you might guess, strategic management is the application of strategic thinking to the job of leading an organization.

Dr. Jagdish Sheth, an expert on marketing and strategic planning suggests that strategic management means continually asking the question, "Are we doing the right thing?" Strategic management is focused on the future within a context of a changing, but relatively predictable environment. Strategic management consists of the following three activities and decisions:

- formulation of the future mission of the organization in light of changing external factors such as regulation, competition, technology and customers;
- development of a competitive strategy to achieve the mission; and
- creation of an organization structure which will deploy resources to successfully carry out its competitive strategy.

It requires attention to the "big picture" and a willingness to adapt to changing circumstances.

Dr. Sheth distinguishes strategic management from two other approaches to management, a tradition-driven approach and an operations-driven approach. A tradition-driven approach is characterized by the saying "if it ain't broke, don't fix it," and is focused on past practices. The tradition-driven approach works best in a non-changing environment. An operations-driven approach asks, "Did we do things right?" It is focused on current practices and works best in a highly volatile environment.

Key Definitions

Strategic

In the dictionary, the word strategy has to do with war and deception of an enemy. Strategy has to do with responding to a dynamic and often hostile environment in pursuit of a public service mission. Thinking strategically thus means being informed and consciously responsive to this dynamic environment.

Planning

Strategic planning is planning because it involves intentionally setting goals (choosing a desired future) and developing an approach to achieving those goals.

Fundamental

Because it is impossible to do everything, strategic planning implies that some decisions and actions are more important than others. The most important decisions have to do with what an organization is and why it exists; the most important actions have to do with what it does. On the other hand, strategic thinking is deciding on and carrying out the fundamental, or most important actions.

Disciplined

Discipline highlights the relationship between the different steps in strategic planning. Mission depends on environment; which actions are most important are determined by assessing strengths and weaknesses, opportunities and threats. Strategic planning is also disciplined in that there is a sequence of questions typically raised to examine experience and test assumptions, gather and make use of information about the present, and try to anticipate the future environment the organization will be working in.

Decision Making

Strategic planning is based on decision making because in order to answer the questions raised in the structured planning process, choices must be made. The plan ultimately is no more, and no less, than a set of decisions about what to do, how to do it and why to do it.

Long Range Plan

Long range is the longest time period for which it makes sense to make plans. The time period varies from organization to organization: the Social Security Administration is planning for the retirement of today's babies sixty five years from now; high tech computer companies are putting out new products every six months.

Operating Plan

Operating plans are the detailed action plans to accomplish the strategic goals laid out in the strategic plan. An organization should have operating plans for each major organizational unit and correspond to its fiscal year. In addition, an organization may need operating plans which correspond to grant cycles or longer, or cycles that differ from the fiscal year. Each is important.

Strategic Management

The concept of strategic planning implies managing, day to day and month to month, in a way that focuses on the most important decisions and actions. This requires the kind of longer term perspective and priorities which result from a strategic plan. This concept also incorporates the assumption that the environment is always changing: thus, strategic management requires ongoing reassessment of current plans in light of long term priorities.

Inclusive Process

An inclusive process means that people who have a stake in the work of your organization participate in the planning process in an appropriate way. This does not mean that every client, investor, and staff member must come to a joint consensus about what to do. It does mean that these interested individuals have a chance to be heard by the decision makers.

III. What are the basic steps in a strategic planning process?

Step One - Getting Ready

Step Two - Articulating Mission and Vision

Step Three - Assessing the Situation

Step Four - Developing Strategies, Goals, and Objectives

Step Five - Completing the Written Plan

Strategic Planning Model

Many books and articles describe how best to do strategic planning, and many go to much greater lengths than this planning response sheet, but our purpose here is to present the fundamental steps that must be taken in the strategic planning process. Below is a brief description of the five steps in the process. These steps are a recommendation, but not the only recipe for creating a strategic plan; other sources may recommend entirely different steps or variations of these steps. However, the steps outlined below describe the basic work that needs to be done and the typical products of the process. Thoughtful and creative planners will add spice to the mix or elegance to the presentation in order to develop a strategic plan that best suits their organization!

Step One - Getting Ready

To get ready for strategic planning, an organization must first assess if it is ready. While a number of issues must be addressed in assessing readiness, the determination essentially comes down to whether an organization's leaders are truly committed to the effort, and whether they are able to devote the necessary attention to the "big picture". For example, if a funding crisis looms, the founder is about to depart, or the environment is turbulent, then it does not make sense to take time out for strategic planning effort at that time.

An organization that determines it is indeed ready to begin strategic planning must perform five tasks to pave the way for an organized process:

- identify specific issues or choices that the planning process should address
- clarify roles (who does what in the process)
- create a Planning Committee
- develop an organizational profile
- identify the information that must be collected to help make sound decisions.

The product developed at the end of the Step One is a Workplan.

Step Two - Articulating Mission and Vision

A mission statement is like an introductory paragraph: it lets the reader know where the writer is going, and it also shows that the writer knows where he or she is going. Likewise, a mission statement must communicate the essence of an organization to the reader. An organization's ability to articulate its mission indicates its focus and purposefulness. A mission statement typically describes an organization in terms of its:

- Purpose - why the organization exists, and what it seeks to accomplish
- Business - the main method or activity through which the organization tries to fulfill this purpose
- Values - the principles or beliefs that guide an organization's members as they pursue the organization's purpose

Whereas the mission statement summarizes the what, how, and why of an organization's work, a vision statement presents an image of what success will look like.

With mission and vision statements in hand, an organization has taken an important step towards creating a shared, coherent idea of what it is strategically planning for.

At the end of Step Two, a draft mission statement and a draft vision statement is developed.

Step Three - Assessing the Situation

Once an organization has committed to why it exists and what it does, it must take a clear-eyed look at its current situation. Remember, that part of strategic planning, thinking, and management is an awareness of resources and an eye to the future environment, so that an organization can successfully respond to changes in the environment. Situation assessment, therefore, means obtaining current information about the organization's strengths, weaknesses, and performance - information that will highlight the critical issues that the organization faces and that its strategic plan must address. These could include a variety of primary concerns, such as funding issues, new program opportunities, changing regulations or changing needs in the client population, and so on. The point is to choose the most important issues to address. The Planning Committee should agree on no more than five to ten critical issues around which to organize the strategic plan.

The products of Step Three include: a data base of quality information that can be used to make decisions; and a list of critical issues which demand a response from the organization - the most important issues the organization needs to deal with.

Step Four - Developing Strategies, Goals, and Objectives

Once an organization's mission has been affirmed and its critical issues identified, it is time to figure out what to do about them: the broad approaches to be taken (strategies), and the general and specific results to be sought (the goals and objectives). Strategies, goals, and objectives may come from individual inspiration, group discussion, formal decision-making techniques, and so on - but the bottom line is that, in the end, the leadership agrees on how to address the critical issues.

This can take considerable time and flexibility: discussions at this stage frequently will require additional information or a reevaluation of conclusions reached during the situation assessment. It is even possible that new insights will emerge which change the thrust of the mission statement. It is important that planners are not afraid to go back to an earlier step in the process and take advantage of available information to create the best possible plan.

The product of Step Four is an outline of the organization's strategic directions - the general strategies, long-range goals, and specific objectives of its response to critical issues.

Step Five - Completing the Written Plan

The mission has been articulated, the critical issues identified, and the goals and strategies agreed upon. This step essentially involves putting all that down on paper. Usually one member of the Planning Committee, the president, or even a planning consultant will draft a final planning document and submit it for review to all key decision makers (usually the board and senior staff). This is also the time to consult with senior staff to determine whether the document can be translated into operating plans (the subsequent detailed action plans for accomplishing the goals proposed by the strategic plan) and to ensure that the plan answers key questions about priorities and directions in sufficient detail to serve as a guide. Revisions should not be dragged out for months, but action should be taken to answer any important questions that are raised at this step. It would certainly be a mistake to bury conflict at this step just to wrap up the process more quickly, because the conflict, if serious, will inevitably undermine the potency of the strategic directions chosen by the planning committee.

The product of Step Five is a strategic plan!

IV. What do I need to know before I start the planning process?

To Plan or Not to Plan

Level of Planning

Once the Decision to Plan Has Been Made

The following addresses the concerns of the pre-planning stage. This stage is divided into three phases, each addressing different issues and questions. They are:

- To plan or not to plan
- The level of planning
- Once the decision to plan has been made

To Plan or Not to Plan

The Benefits of Planning

Planning consumes resources, a precious commodity for all companies. As a process that eventually defines the direction and activities of the organization, it can be an overwhelming and daunting task. Despite the overwhelming nature of the process, the benefits of planning can far outweigh the hardships.

There are benefits to be gained from the actual planning process, as well as from the final planning document. The very activities that the staff and boards conduct as part of the planning process empower them to be more effective in their roles—more informed leaders, managers, and decision makers. In addition, the final planning document becomes a tool that can be used to effectively and efficiently manage the organization.

The time devoted to the planning process varies from organization to organization and depends on the resources available to devote to the process. Whether you decide to devote only a two day retreat to the process or engage in a twelve month process, your organization will begin to realize the benefits from the start. Some of the fundamental benefits to the planning process and the development of the final plan include:

- a framework and a clearly defined direction that guides and supports the governance and management of the organization
- a uniform vision and purpose that is shared among all constituencies
- an increased level of commitment to the organization and its goals
- improved quality of services for clients and a means of measuring the service
- the ability to set priorities and to match resources to opportunities
- the ability to deal with risks from the external environment and
- a process to help with crisis management

Prerequisites for Planning: Key Factors that Must be in Place Before Beginning the Planning Process

As with any major effort, a planning process has its proper time and place in the organization. There are certain organizational elements that must be in place in order to ensure that the planning process will provide the maximum benefit to the organization. It is important to be candid when assessing the organization's readiness to engage in the planning process. Even if you get half way through the planning process before you realize that the organization is not ready, stop and remedy the situation before continuing with the process. Unfortunately, many organizations plan when the organization is not ready. They always have an unsatisfactory planning process and subsequent results. Make sure the following elements are addressed before making the commitment to plan:

- a commitment of active and involved leadership, with continuous leadership engaged throughout the planning process
- a resolution of major crises that may interfere with the long range thinking during, commitment to, and participation in the planning process (e.g., insufficient funds for the next payroll, the organization is not operating legally, etc.)
- a board and staff that are not embroiled in extreme, destructive conflict
- a board and staff who understand the purpose of planning and what it can and cannot accomplish, as well as consensus about expectations
- a commitment of resources to adequately assess current programs and the ability to meet current and future client needs and
- a willingness to question the status quo and to look at new approaches to performing and evaluating the "business" of the organization

Level of Planning

As with any other organizational effort, you can do a little planning or a lot of planning. "Enough planning" is when your organization's leadership understands and has consensus about a clear organizational direction.

Planning Resource Requirements

It is critical to examine what needs you are attempting to address from the planning process and the resources available to engage in the process. It is safe to assume that an organization can expect more benefits from a more informed, more resource intensive process.

The key resources required for planning are staff time, board time, and dollars (e.g., market

research, consultants, etc.). Specific examples of time resources consumed by the planning process might include time spent:

- collecting and analyzing environmental information
- engaging key stakeholders
- gathering historical financial information, projecting future budgets, and cash flow projections and
- analyzing options and consequences for potential organizational and program strategies.

The amount of resources, time, and money spent on planning should reflect the complexity of the issues you are addressing and the availability of information and resources. Resource requirements will vary for every organization.

The Role of an External Consultant

For an organization with little or no experience in planning, an external consultant can enhance the planning process by providing the following services:

- Facilitating of retreats, meetings and the planning process as a whole: The use of a consultant to serve as the "conversation traffic cop" is one method of ensuring that good ideas do not get lost in the emotion of the process or personality of the participants. A consultant can work with an organization to minimize planning barriers that impact effectiveness, using his or her experience as a source of tried and true processes.
- Training in planning information and processes: It is critical for everyone involved in the planning process to be speaking the same language and using the same planning tools. External consultants can provide that conduit of information flow and education.
- Providing an objective and different perspective in the process: As an outsider to the organization, the consultant can ask questions and challenge existing traditions, assumptions, and routines more objectively than staff and board members. Often planners do not realize that they are using jargon or have made certain assumptions about their constituency. Having an outside consultant participate in the planning process helps ensure that organizations stay true to one of the prerequisites of engaging in the planning process, the willingness to question the status quo.
- The process expert role: The consultant who has facilitated and conducted many strategic planning processes can provide significant information and advice on tools and processes that can best accomplish your process and content goals.

Once the Decision to Plan Has Been Made

The planning process is like any other process, it needs to be managed. People have many expectations when they hear the word planning. It is important to make sure that everyone is operating from the same set of expectations and knowledge base. Organizations often train key board and staff members in process and planning language before embarking on the planning process.

Large groups of individuals are not conducive to the creation of documents and quick decision making. They are more suited to producing feedback, ideas, and suggestions about existing documents or modifying draft decisions after the initial analysis has been completed. A strategic planning committee is one tool that is used to focus the energies and responsibilities of the process. The planning committee spearheads the process, serving as the quarterback of the team, but it does not take sole responsibility for all decision making and all the nuts and bolts work.

It is also important to identify the potential information needs of the process. Key decisions will be made during planning. In order for these decisions to be high quality, decision analysts and decision makers need to have appropriate financial, program, and client information.

Another tool used in the management of the planning process is a work plan, or a plan to plan. It is an outline of the steps and activities that will take place during the planning process. The plan specifies the tasks, outcomes, resources to be expended (time and financial), and the person(s) responsible in each of the phases in the process.

Steps to Prepare for Planning

The following items summarize the steps necessary to prepare for the planning process:

- Obtain a formal commitment to conduct planning, including education of board and staff, if necessary
- Select a strategic planning committee of no more than five to seven people, a combination of visionaries and "actionaries," or a planning liaison to spearhead the process
- Develop a workplan or a plan to plan that outlines who is responsible for each outcome and time frames
- Consider the adequate level of resources (dollars and time) required to conduct an appropriate planning process

V. What are the individual roles in the planning process?

When involving individuals in a planning process, you must ask and answer several key questions to ensure that each individual's involvement is appropriate and will contribute to the successful execution of the strategic planning process. The key questions that should be answered for your organization include:

- Why is it important to have a variety of people involved in the planning process?
- Who should we include in the planning process? When we say stakeholders, who exactly are they? Are there individuals who we might not traditionally think of including, but who might be able to contribute valuable perspectives? What are the issues that must be considered when evaluating an individual's appropriateness and applicability to the planning process?
- How do we involve individuals in the planning process? What role do these individuals play? What do we expect as a result of their involvement?

Planning Should Be an Inclusive Process

A planning process should be designed to include all board, staff, and other individuals invested in the success of your organization. An inclusive process:

- helps to build both internal and external enthusiasm and commitment to the organization and its strategies. Individuals take on ownership of the goals and efforts to achieve the stated outcomes
- ensures that your informational data base reflects the needs and perceptions of internal individuals and external constituents
- incorporates a level of objectivity into the process. "Outsiders" can identify jargon or ask critical questions around which "insiders" might make assumptions
- develops foundations for future working relationships
- develops uniformity of purpose among all stakeholders
- establishes a continual information exchange among staff, management, customers, and other key stakeholders.

Who Should the Planning Process Include?

Ideally, all key stakeholders should be involved in the planning process at some level. Stakeholders are individuals that are invested in the success or failure of your organization's mission. Key stakeholders include those persons who can either significantly help or hinder the implementation of your plan.

Key stakeholders may include individuals or groups who you do not traditionally think of including, but are able to contribute valuable perspectives. Examples of key stakeholders may include:

- **Board of Directors:** The role of the full board is one of governance and oversight. As the entity responsible for governing the organization, its focus should remain on the ultimate and overarching goals and strategies necessary to achieve organizational success. Therefore, the full board should be involved in processing environmental information and the approval of the vision, values and priorities. As the governing body, it should formally vote on adopting the plan as the management framework around which the organization will develop its operating plan(s).
- **Staff:** A critical ingredient to successful planning - they are the link between the visions and the every day activities of an organization. In an inclusive process, the philosophy is to give staff input and, when appropriate, authority when determining the means of the organization. These individuals have the experience and knowledge around critical success factors that should not be ignored. When staff is not an integral part of the planning discussions, they need to be informed of the decisions that have been made. Involving staff will:
 - ensure the realism of the plan
 - encourage all levels of the organization to take ownership of organizational vision and goals
 - involve the organization's future leadership in the development of its identity and vision
 - unite individual visions into a single collective vision for the organization.

You should include staff who are both current (part and full time, salaried, and unpaid) and previous employees.

- **Clients.** In a planning process, it is critical to ask and answer, "How well are we meeting the needs of our clients?" Directly involving these constituents (both current and previous clients) in the planning process is one of the best methods for assessing organizational performance and receiving guidance for future client needs and program foci.

- Other External Stakeholders: In order for a planning process to be strategic it must address external issues and their potential impact on the organization. Including external stakeholders in the process is one fundamental way of ensuring that these issues will be incorporated into discussions and considered in the organization's future. External stakeholders can educate staff and the board on the perception of the organization in the community, as well as identify areas where services are being duplicated. Involving external key stakeholders in a planning process can establish a solid rapport on which you can develop powerful business relationships.

The Planning Committee

It is important to have a formal planning team or committee that spearheads the planning process. The planning committee is not responsible for doing all of the work it is responsible for ensuring that the work gets done. In essence, it becomes the cornerstone of the team: creating initial drafts of planning documents deciding which stakeholders to involve - how and at what stage and prioritizing or narrowing information for the organization to discuss and evaluate. The committee serves to maintain the efficiency of the process.

The planning committee should be:

- limited to no more than five to seven individuals
- a combination of visionaries (individuals who see what the organization can be) and "actionaries"(those who ask what the current organizational resources will support and ensure that the projected goals and tasks are realistic)
- a group of individuals who has formal or informal power and the respect of the rest of the organization
- a combination of board and staff members, including the executive director and the individual who will write the final plan.

VI. What's in a mission statement?

The Need for a Mission Statement

What Should be in a Mission Statement

How to Write a Mission Statement

In just a few sentences a mission statement needs to communicate the essence of your organization to your stakeholders and to the public.

Often, however, organizations want to say more about who they are, what they are doing, and why they are doing it. Therefore, another example of a mission statement format is illustrated by the mission statement developed by the Forest Service. After a brief statement, the Forest Service uses three pages to elaborate its mission, vision, and guiding principles. Excerpts from the expanded statement include:

The phrase, "caring for the land and serving the people," captures the Forest Service mission. As set forth in law, the mission is to achieve quality land management under the sustainable multiple-use management concept to meet the diverse needs of people.

It includes advocating a conservation ethic...

Vision: We are recognized nationally and internationally as a leader in caring for the land and service people...

Guiding Principles: To realize our mission and vision, we follow 13 guiding principles ...

What is important about your mission statement is that one guiding set of ideas is articulated, understood and supported by the organization's stakeholders, board, staff, clients, and collaborators.

The Need for a Mission Statement

In *Profiles of Excellence*, the Independent Sector lists a clear, agreed upon mission statement first among the four primary characteristics of successful organizations. Specifically, the four primary characteristics include:

- a clear, agreed-upon mission statement
- a strong, competent executive leader
- a dynamic board of directors

The primary importance of the mission statement means that failure to clearly state and communicate your organization's mission can have harmful consequences, including:

- organization members can waste time "barking up the wrong tree"
- the organization may not think broadly enough about different possibilities if its mission statement is unclear or overly narrow

Finally, the importance of mission statements is summarized quite eloquently by Lewis Carroll through the words of the Cheshire Cat in *Alice in Wonderland*, "If you don't know where you're going, it doesn't matter which way you go." Indeed!

What Should Be in a Mission Statement?

The following concepts are critical in defining "who" your organization is:

The Purpose Statement

The purpose statement clearly states what your organization seeks to accomplish: Why does your organization exist? What is the ultimate result of your work?

Purpose statements usually include two phrases:

- an infinitive that indicates a change in status, such as to increase, to decrease, to prevent, to eliminate
- an identification of the problem or condition to be changed.

The Business Statement

- This statement outlines the business your organization chooses in order to pursue its purpose. Specifically, you must answer, "What activity are we going to do to accomplish our purpose?"

Business statements often include the verb "to provide" or link a purpose statement with the words "by" or "through."

A cautionary note: If the word "and" is in your purpose or business statement, ask yourselves, "Are we really committed to both ideas connected by the word" and, "or have we simply not been able to accept that one idea is more important?"

Values

Values are beliefs which your organization's members hold in common and endeavor to put into practice. The values guide your organization's members in performing their work. Specifically, you should ask, "What are the basic beliefs that we share as an organization?"

Examples of values include: a commitment to excellent services, innovation, diversity, creativity, honesty, integrity, and so on.

Marvin Weisbord writes in *Productive Workplaces* that values come alive only when people are involved in doing important tasks. Ideally, an individual's personal values will align with the spoken and unspoken values of the organization. By developing a written statement of the values of the organization, group members have a chance to contribute to the articulation of these values, as well as to evaluate how well their personal values and motivation match those of the organization.

In addition to the three elements discussed above, you may want to address the following questions in developing your organization's mission statement:

- What is the problem or need your organization is trying to address?
- What makes your organization unique?
- Who are the beneficiaries of your work?

Clearly, the answers to these questions could be included in the mission statement or added as elaboration of the mission statement.

How To Write a Mission Statement

There is no formula for finding the wording that best expresses the collective intention of your organization. It can be drafted by one person alone or after input gathered at leadership retreat. The most important issue is that there is consensus on the answers to the questions used in developing the mission statement.

One approach is to use time at a board retreat to discuss these questions and find out where the areas of consensus are and where there are differences. There is a "process" benefit to hashing over an organization's mission statement as well. In the course of discussion and debate, new members are introduced to nuances of an organization's mission and changes in the environment, and old members refresh their understanding of both. As a result, the group will have confidence that the mission statement which emerges (whether it is a new statement or a rededication to the old mission statement) is genuinely an articulation of commonly held ideas.

Groups are good at many things, but one of them is not writing. Have group discussions about big ideas and concepts and then let one or two individuals draft and redraft the

wording before submitting a reworked version for the group to respond to. It is important to circulate the draft mission statement a few times to board, staff, and other stakeholders. Some consultants advise organizations to also seek an outside opinion from someone unfamiliar with the organization to see how easily the mission statement can be understood.

Mix with passion, humanity and an eye on the big picture, and keep refining the mission statement until you have a version that people can actively support.

VII. What's in a vision statement?

How a Vision Is Used

The Impact of Vision

The Process of Creating a Vision

Martin Luther King, Jr. said, "I have a dream," and what followed was a vision that changed a nation. That famous speech is a dramatic example of the power that can be generated by a person who communicates a compelling vision of the future.

Management author Tom Peters identified a clear vision of the desired future state of the organization as an essential component of high performance.

Widely-read organizational development author Warren Bennis identified a handful of traits that made great leaders great. Among them is the ability to create a vision.

So, What Is a Vision and How Do I Get One?

A vision is a *guiding image of success formed in terms of a contribution to society*. If a strategic plan is the "blueprint" for an organization's work, then the vision is the "artist's rendering" of the achievement of that plan. It is a description in words that conjures up a similar picture for each member of the group of the destination of the group's work together.

There is one universal rule of planning: You will never be greater than the vision that guides you. No Olympic athlete ever got to the Olympics by mistake; a compelling vision of his or her stellar performance inevitably guides all the sweat and tears for many years. The vision statement should require the organization's members to stretch their expectations, aspirations, and performance. Without that powerful, attractive, valuable vision, why bother?

How a Vision is Used

John Bryson, the author of *Strategic Planning for Public and Nonprofit Organizations*, states that typically, a vision is "more important as a guide to implementing strategy than it is to formulating it." This is because the development of strategy is driven by what you are

trying to accomplish, your organization's purposes. A mission statement answers the questions: Why does our organization exist? What business are we in? What values will guide us? A vision, however, is more encompassing. It answers the question, "What will success look like?" It is the pursuit of this image of success that really motivates people to work together.

A vision statement should be realistic and credible, well articulated and easily understood, appropriate, ambitious, and responsive to change. It should orient the group's energies and serve as a guide to action. It should be consistent with the organization's values. In short, a vision should challenge and inspire the group to achieve its mission.

The Impact of Vision

John F. Kennedy did not live to see the achievement of his vision for NASA, but he set it in motion when he said, "By the end of the decade, we will put a man on the moon." That night, when the moon came out, we could all look out the window and imagine... And when it came time to appropriate the enormous funds necessary to accomplish this vision, Congress did not hesitate. Why? Because this vision spoke powerfully to values Americans held dear: America as a pioneer and America as world leader.

In an amazing longitudinal study on goal setting, Yale University surveyed the graduating class of 1953 on commencement day, to determine if they had written goals for what they wanted their lives to become. Only three percent had such a vision. In 1973, the surviving members of the class of 1953 were surveyed again. The three percent who had a vision for what they wished their lives would become had accumulated greater wealth than the other 97 percent combined.

Shared Vision

To a leader, the genesis of the dream is unimportant. The great leader is the servant of the dream, the bearer of the myth, the story teller. "It is the idea (vision) that unites people in the common effort, not the charisma of the leader," writes Robert Greenleaf in *Leadership Crisis*. He goes on to write:

Optimal performance rests on the existence of a powerful shared vision that evolves through wide participation to which the key leader contributes, but which the use of authority cannot shape.... The test of greatness of a dream is that it has the energy to lift people out of their moribund ways to a level of being and relating from which the future can be faced with more hope than most of us can summon today.

The Process for Creating a Vision

Like much of strategic planning, creating a vision begins with and relies heavily on intuition and dreaming.

As part of the process, you may brainstorm with your staff or your board what you would like to accomplish in the future. Talk about and write down the values that you share in

pursuing that vision. Different ideas do not have to be a problem. People can spur each other on to more daring and valuable dreams and visions -- dreams of changing the world that they are willing to work hard for.

The vision may evolve throughout a strategic planning process. Or, it may form in one person's head in the shower one morning! The important point is that members of an organization without a vision may toil, but they cannot possibly be creative in finding new and better ways to get closer to a vision without that vision formally in place.

Perceptions of Ideal Futures: An Exercise in Forming Vision

This section outlines an exercise you may employ to assist your organization in defining its own vision. By using this exercise to develop your organizational vision, you may be better assured that the vision statement that is developed is a shared vision.

At a retreat, or even at a board meeting or staff meeting, take an hour to explore your vision. Breaking into small groups helps increase participation and generate creativity. Agree on a rough time frame, say five to ten years. Ask people to think about the following questions: How do you want your company to be different? What will success look like?

Then ask each group to come up with a metaphor for your organization, and to draw a picture of success: "Our organization is like ... a mariachi band - all playing the same music together, or like a train - pulling important cargo and laying the track as we go, or" The value of metaphors is that people get to stretch their minds and experiment with different ways of thinking about what success means to them.

Finally, have all the groups share their pictures of success with each other. One person should facilitate the discussion and help the group discuss what they mean and what they hope for. Look for areas of agreement, as well as different ideas that emerge. The goal is to find language and imagery that your organization's members can relate to as their vision for success.

Caution: Do not try to write a vision statement with a group. (Groups are great for many things, but writing is not one of them!). Ask one or two people to try drafting a vision statement based on the group's discussion, bring it back to the group, and revise it until you have something that your members can agree on and that your leaders share with enthusiasm.

VIII. What is a situation assessment?

Gathering Perceptions About the Organization Evaluation of Programs

Strategic planning must include an assessment of the organization's environment because no organization operates in a vacuum. The very definition of strategic planning stresses the importance of focusing on the future within the context of an ever-changing environment - the myriad of political, economic, social, technological, demographic, and legal forces that change our world daily. Skill at assessing the environment and then being proactive in responding to that environment (i.e., strategic planning, thinking, and management) determines who is effective in using their resources and, ultimately, who survives.

The situation assessment outlines the process of gathering and analyzing the information needed to make an explicit evaluation of an organization in its environment. The situation assessment includes the following activities:

- collecting internal and external stakeholders' perceptions about the organization
- evaluating products' impact on clients
- evaluating products through cost/benefit analysis
- analyzing products through competitive analysis
- defining previous implied strategies

At the conclusion of a situation analysis, a strategic planner will have a database of quality information that can be used to make decisions and a list of critical issues which demand a response from the organization -- the most important issues the organization needs to deal with in the strategic planning process.

Gathering Perceptions about the Organization

Part of getting a clear view of the environment and dynamics of an organization is to look at it through others' eyes; both internal and external stakeholders' perceptions of the organization will add valuable information to the situation assessment. The SWOT technique, a simple and effective vehicle for collecting this information, helps focus the process by breaking it down into four broad categories:

S - What are the organization's internal Strengths?

W - What are the organization's internal Weaknesses?

O - What external Opportunities might move the organization forward?

T - What external Threats might hold the organization back?

Evaluating an organization's general strengths and weaknesses, as well as the strengths and weaknesses specific to each of its programs, typically includes assessments of:

- staff and board capabilities
- quality of products
- reputation of both the organization and individual programs
- management information and financial systems
- office facilities and equipment, etc.

Successful organizations exploit strengths rather than just focus on weaknesses. In other words, this process isn't just about fixing the things that are wrong, but also nurturing what is right.

The same kind of thinking should apply to how an organization approaches its opportunities and threats -- the external trends that influence the organization. These are usually categorized into political, economic, social, technological, demographic and legal (PESTDL) forces. These external forces include such circumstances as changing client needs, increased competition, changing regulations, and so on. They can either help an organization move forward (opportunities) or hold an organization back (threats) -- but opportunities that are ignored can become threats, and threats that are dealt with appropriately can be turned into opportunities.

Gathering Board and Staff Perceptions of the Organization

Since SWOT analysis is a primary means of receiving input from a broad and representative constituency, it is important to include as many staff and board (your internal stakeholders) as possible in this process. Their ideas and opinions might be collected through questionnaires, telephone or in-person interviews, facilitated organization-wide or small-group meetings, or a combination of these methods. Some organizations have board and staff meet together to discuss their ideas and opinions, while others have them meet separately. A common and useful approach used during meetings is to brainstorm ideas onto flipcharts.

After the lists of strengths, weaknesses, opportunities, and threats have been recorded, the listed ideas can be grouped into logical topic or issue groups (e.g., all the ideas related to staffing or product development should be grouped together) to make the data easier to present and analyze.

Gathering External Stakeholders' Perceptions

Just as the above SWOT assessment allows an organization to collect a wide variety of perceptions from internal stakeholders, a SWOT assessment of those outside the organization can also add a great deal to the situation analysis. External can give the planning committee insight into community opinions of what the organization does well, where it can improve, unmet community needs it might address, and other potential opportunities or threats. Again, this information might be gathered through telephone or in-person interviews (preferably), questionnaires, or focus groups. In addition to their general perceptions of the organization's strengths, weaknesses, opportunities, and threats, external stakeholders might also be asked some questions specific to their outsider perspective. For example:

- What are the organization's strengths and weaknesses? What opportunities and threats does the organization face?
- What does the stakeholder need or expect (criteria for performance) from the organization?
- How well does the organization perform against those criteria (excellent, good, fair, or poor) and why?
- How well does the organization perform relative to its competitors?

Evaluation of Products

A key component of an organization's situation assessment is the evaluation of its products' effectiveness and efficiency. This evaluation will provide data about whether to continue or discontinue each product, maintain it at its existing level, expand or change its direction, market it aggressively, and so on. Most product evaluations focus on both outcome, or results, and process, or methods. Outcome evaluation looks at whether a project achieved its planned results. Process evaluation looks at internal project management, both staff performance and the extent to which the project is successfully implemented.

The product evaluations can be based on quantitative and/or qualitative data. Quantitative data consists of fact-based information such as records review, descriptive statistics, inferential statistics, examinations results, and the like. It is more easily collected and less easily disputed because it translates experience into quantifiable data that can be counted, compared, measured, and manipulated statistically. Qualitative data consists of what people "say" about the programs, based on interviews, focus groups or other meetings, direct or field observation, reviews of written materials, informal feedback, satisfaction surveys, and questionnaires.

Cost/Benefit Analysis of Program Services

One approach to evaluating organization product is a cost/benefit analysis. As the name indicates, this entails comparing the costs of providing a service or product with the benefit to be gained. The analysis begins by answering a series of important questions:

- What are the projected costs (direct and indirect) of the product?
- What are the revenue benefits to be gained?
- What are the direct service benefits?
- What would it cost to purchase the benefits on the open market?
- What intangible benefits are gained by either the organization or the client?
- What assumptions, risks, organizational capabilities, alternative methods, foreseeable changes, and other considerations need to be taken into account?

If an organization offers a service for which no comparable alternative exists, or if the organization cannot define what the cost would be to society if the service were not provided, a cost/benefit analysis will be difficult to do. If, however, competing products exist whose benefits can be readily measured, then an organization should be able to calculate and compare its costs and benefits to those of the competing product. In any case, cost/benefit analysis should not be used as the sole criteria for accepting or rejecting a project or even measuring success, but it can prove a helpful tool when it comes time to make difficult choices about how to use scarce resources.

IX. What is a strategy and how do we develop one?

When to Develop Strategies

How to Develop Strategies

Additional Strategies for Your Organization

In strategic planning it is critical to formally consider how your organization will accomplish its goals. The answer to this question is a strategy. There are a variety of formal definitions for strategies, but everyone fundamentally agrees that a strategy is the answer to the question, "How?"

"Strategy is a way of comparing your organization's strengths with the changing environment in order to get an idea of how best to complete or serve client needs."

Jim Fisk & Robert Barron, *The Official MBA Handbook*

Essentially, there are three different categories of strategies: organizational, programmatic, and functional. The difference among the categories is the focus of the strategy:

- Organizational strategy outlines the planned avenue for organizational development (e.g., collaborations, earned income, selection of businesses, mergers, etc.).
- Programmatic strategy addresses how to develop, manage and deliver programs (e.g., market a prenatal care service to disadvantaged expectant mothers by providing information and intake services in welfare offices).
- Functional strategies articulate how to manage administration and support needs that

impact the organization's efficiency and effectiveness (e.g., develop a financial system that provides accurate information using a cash accrual method).

When to Develop Strategies

Strategy development follows the creation and affirmation of the organization's purpose statement, environmental and program data collection and analysis, and identification of critical issues. It is critical that strategy development follow these steps because the information gathered and decisions made in these phases are the foundation for strategy creation and selection. Each of these steps provides the following:

- The purpose statement, the statement of the organization's ultimate goal, provides the direction to which the strategies should ultimately lead.
- External market data and program evaluation results provide critical data to support strategy development. Without this information and insight, the organization's strategies will not be in alignment with or effective in the marketplace.
- The critical issues list serves as the specific focus and framework for the activities of the organization and the pattern of these activities (developing and selecting the strategies).

How to Develop Strategies

Strategy formulation is a combination of rational, scientific examinations and educated, intuitive best guesses. Many individuals are overwhelmed by the idea of developing strategies, but it can be a fun and invigorating process. The process entails:

- examining the organization's critical issues
- determining how the organization's strengths and skills can be employed to address the critical issues
- analyzing opportunities and strengths and looking for ways to synthesize the two
- exploring and choosing the best approaches for the organization.

During this evaluation ask these key questions: Does the strategy meet/address critical issues? Is this aligned with our mission? Is this approach financially viable?

One effective method of strategy generation is to list critical issues and organizational strengths onto flipcharts and then have staff or board members brainstorm possible uses of those strengths or other skills to address the critical issues. Once the brainstorm session is completed, use a roundtable discussion to investigate and evaluate the possible strategies. Remember to develop a list of alternative strategies to investigate and keep in the contingency planning file.

It is important not to discount the ideas that come to people during non-working hours. The Polaroid camera is the result of a three year old's question to her father: "Dad, why can't I see the picture now?"

Strategy of Development Tools

A number of analytical tools have been developed to assist organizations with the planning process. Many nonprofit organizations have adapted these tools, modifying the questions and criteria to align with their own specific services and markets. Listed below are analytical tools frequently used.

SWOT Analysis

SWOT analysis is a methodology of examining potential strategies derived from the synthesis of organizational strengths, weaknesses, opportunities and threats (SWOT). The partnering of the different elements and the extensive data collected as a result of the analysis can serve as a spark for roundtable discussions and refinement of current strategies or generation of new strategies.

X. What should a strategic plan include?

The Draft and Review Process
Standard Format for a Strategic Plan

The end is in sight! Now that everyone has had a chance to contribute their ideas, the options have been wrestled with, the choices have been made, and the details worked out, all that remains is to commit the ideas to paper and make it official.

The Draft and Review Process

First of all, who actually writes the plan? Remember that writing is done most efficiently by one or two individuals, not by a whole group - the writer simply crafts the presentation of the group's ideas. Often an executive will draft the plan, or the task may be delegated to a staff person, board member, or a consultant who has been working with the planning committee. In the end, it really does not matter who writes the strategic plan; what matters is that it accurately documents the decisions made, that it represents a shared vision, and that it has the support of those responsible for carrying it out.

That is why the process of review and approval is the most important consideration in this step - much more so than who does the writing. The planners should decide in advance who may review and respond to the draft plan; obviously committee members will participate in the review process, but should the full board and the full staff? The guiding principle of participation in the strategic planning process is that everyone who will help execute the plan should have some input into shaping it; whether or not this includes review of the final drafts of the plan is a judgment call that really depends upon the particular circumstances of

an organization.

Ideally, the big ideas have been debated and resolved, so that revisions only amount to small matters of adding detail, revising format, or changing some wording in a particular section. Still, if reviewers get bogged down in crossing too many t's and dotting too many i's, the plan could linger in draft form forever. The planning committee must exercise leadership in setting a realistic time frame for the review process and in bringing the process to a timely close: the committee needs to choose the level of review appropriate for the organization, provide copies for review to the selected individuals, and set a deadline for submitting feedback (usually allowing one to two weeks is sufficient). Upon receiving all the feedback, the committee must agree on which suggested revisions to accept, incorporate these into the document, and submit the strategic plan to the full board of directors for approval.

Standard Format for a Strategic Plan

A strategic plan is simply a document that summarizes, in about ten pages of written text, why an organization exists, what it is trying to accomplish, and how it will go about doing so. Its "audience" is anyone who wants to know the organization's most important ideas, issues, and priorities: board members, staff, clients, investors, and peers at other organizations, the press, and the public. It is a document that should offer edification and guidance - so, the more concise and ordered the document, the greater the likelihood that it will be useful, that it will be used, and that it will be helpful in guiding the operations of the organization. Below is an example of a common format for strategic plans, as well as brief descriptions of each component listed, which might help writers as they begin trying to organize their thoughts and their material. This is just an example, however, not the one and only way to go about this task. The point of the document is to allow the best possible explanation of the organization's plan for the future, and the format should serve the message.

TABLE OF CONTENTS

The final document should include a table of contents. These are the sections commonly included in a strategic plan:

I. Introduction by the President of the Board

A cover letter from the president of the organization's board of directors introduces the plan to readers. The letter gives a "stamp of approval" to the plan and demonstrates that the organization has achieved a critical level of internal agreement. (This introduction is often combined with the Executive Summary below.)

II. Executive Summary

In one to two pages, this section should summarize the strategic plan: it should reference the mission and vision; highlight the long-range goals (what the organization is seeking to accomplish); and perhaps note the process for developing the plan, as well as thank participants involved in the process. From this summary, readers should understand what is most important about the organization.

III. Mission and Vision Statements

These statements can stand alone without any introductory text, because essentially they introduce and define themselves.

IV. Organization Profile and History

In one or two pages, the reader should learn the story of the organization (key events, triumphs, and changes over time) so that he or she can understand its historical context (just as the planning committee needed to at the beginning of the planning process).

V. Critical Issues and Strategies

Sometimes organizations omit this section, choosing instead to "cut to the chase" and simply present goals and objectives. However, the advantage of including this section is that it makes explicit the strategic thinking behind the plan. Board and staff leaders may refer to this document to check their assumptions, and external readers will better understand the organization's point of view. The section may be presented as a brief outline of ideas or as a narrative that covers several pages.

VI. Product Goals and Objectives

In many ways the product goals and objectives are the heart of the strategic plan. Mission and vision answer the big questions about why the organization exists, but the goals and objectives are the plan of action - what the organization intends to "do" over the next few years. As such, this section should serve as a useful guide for operational planning and a reference for evaluation.

VII. Management Goals and Objectives

In this section the management functions are separated from the program functions to emphasize the distinction between service goals and organization development goals. This gives the reader a clearer understanding both of the difference and the relationship between the two sets of objectives, and enhances the "guiding" function of the plan.

VIII. Appendices

The reason to include any appendices is to provide needed documentation for interested readers. Perhaps no appendices are truly necessary (many organizations opt for brevity). They should be included only if they will truly enhance readers' understanding of the plan, not just burden them with more data or complicating factors.

XI. How do you develop an annual operating plan?

Upon completion of the strategic plan, an operating plan for the upcoming year must be prepared. An operating plan is a schedule of events and responsibilities that details the actions to be taken in order to accomplish the goals and objectives laid out in the strategic plan. An organization should have annual operating plans that correspond to its fiscal year for each major organizational unit. The plan ensures everyone knows what needs to get done, coordinates their efforts when getting it done, and can keep close track of whether and how it got done.

Imagine you are driving a car on a camping vacation. It is important to have a destination in mind -- your "long-range goal." The destination alone, however, is not enough to get you there successfully. You need to have detailed instructions about which roads to take, when to make turns, estimated distance and time, where you can stop for food and gas, gauges that tell you how much gas you have in your tank, and warning systems to tell you if the engine gets overheated.

Now imagine that you are not driving the car alone, but instead you have twenty people doing different jobs simultaneously: your organization's leader is at the steering wheel with a couple of board members looking over his or her shoulder, but four others are at each of the wheels making them spin; other people are looking out each window, reporting what they see to the driver, and someone else is in the back making sandwiches. It is going to take an impressive plan to move this crew in the same direction.

This is the essence of operating plans: which programs and management functions are going to do what, by when, and how much "gas" (money and person power) it will require. This level of detail is unnecessary in a strategic plan itself -- in fact, it would clutter up the presentation of the long-range vision: the strategic plan focuses on the swimming hole at the camp you are going to, not which gas station to stop at along the way.

Characteristics of an Effective Annual Operating Plan

There are three important attributes to good operating plan:

- an appropriate level of detail -- enough to guide the work, but not so much that it becomes overwhelming, confusing, or unnecessarily constrains creativity
- a format that allows for periodic reports on progress toward the specific goals and objectives
- a structure that coincides with the strategic plan -- the goal statements for the strategic plan and the operating plan are one and the same; the objective statements for the strategic plan and the operating plan will be different.

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

XII. How do we increase our chance of implementing our strategic plan?

Organizations and their leadership are often reluctant to commit time and resources to a planning process because of the fear of the plan "ending up on the shelf." This article addresses a key question regarding the strategic plan: What can I do to ensure the plan does not end up on the shelf?

There are three areas that must be addressed to ensure that the planning process and resulting strategic plan are valuable and useful for the organization:

- The process that is used to develop the plan can guarantee success or failure. Credibility and ease of use are often direct results of how the plan was created.
- The format of the plan will influence how and when people use the document in the workplace. Complex, outdated documents are doomed to remain on the shelf.
- Management's use and respect for the plan influences the acceptance for the rest of the staff and board members.

Ensuring the Plan Has Impact

During the strategic planning process, it is important to include the following process, content, and usage elements to ensure the usefulness of the strategic plan to the organization.

Process Elements

Engage leadership

Include the informal and formal organizational leaders when conducting a process. Active involvement communicates a message of organizational importance.

Work from a common understanding

Provide training on the process and establish a list of expectations and results to ensure that everyone is working towards the same outcomes.

Include individuals who will implement plan

Encourage all levels of staff to contribute to the process. Involving these individuals will ensure that the plan is realistic and help motivate staff to implement the plan.

Address critical issues for the organization

Failure or unwillingness to put these critical issues on the table for discussion and

resolution might lead staff to implicitly or explicitly challenge the credibility of the plan, its priorities, and/or its leadership.

Agree on how the plan will be operationalized

Specify who will implement which parts of the plan, scheduling routine evaluation meetings to review progress.

Content Elements

Include an internal and external focus

Address structural, board/staff development, and communication issues in your plan.

Do not get too detailed

Use the strategic plan to articulate the broad framework, direction and, priorities of the organization and its programs. Extremely specific plans become quickly outdated and end up on the shelf.

Create a balance between the dream and reality

Ensure that your plan is grounded in reality of what can be accomplished.

Keep language, concepts and format simple

Make sure that the language is easy to understand, especially for those that are unfamiliar with your organization. Structure the document so that it is user friendly.

Usage Elements

Actively use the plan as a management tool

Actively using the plan for short-term guidance and decision making will establish a model for use.

Incorporate sections of the plan in everyday management

Formalize the usage of the plan into the day-to-day activities of the organization. For example, one organization reads the mission statement at the opening of every business meeting to remind the membership of the organization's focus and purpose.

Organize the work of the organization in the context of the plan

Establish operational goals and activities within the context of the strategic plan (e.g., include goals and objectives in individual and program evaluations or have program directors refer to the plan to provide guidance in decision making).

Design a system for controlling the process

Ensure that there are mechanisms (e.g., evaluation meetings, monthly reports against plan) to inform management on progress.

By employing the strategies that we've covered, you can be sure that the effort you put into the strategic planning process will help direct your organization and become a useful tool to both management and staff.

Source: Various components from Alliance for Non Profit Management