STRATEGIC PLANNING

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ESSAYS ON EXCELLENCE

Lessons from the Georgetown Nonprofit Management Executive Certificate Program

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Why Should Organizations Have a Strategic Plan?

Nonprofit organizations are often established in response to a societal need and the vision of its founders to address it. The strategies adopted to implement the mission also come initially from the founders' insights and experiences. As organizations grow and the founders begin to share ownership of their vision with others, stakeholders ask questions of vision and strategies. The original founders' plan may be in their heads and in their hearts, but the new stakeholders need a more formal representation and shared understanding of the organization's future.

As organizations grow, funding sources change, support mechanisms evolve, new avenues and new programs have to be explored. New realities require new plans. As organizations grow, their leadership also grows and changes. Strategic guidance for the future keeps the organization on its course and allows its leadership to shape direction and follow priorities systematically.

Strategic thinking and planning are essential to organizational success. I learned that first hand, near the beginning of my professional career in Washington, D. C.

When I began as the President and CEO of the Kennedy Institute, in July 1978, the major initiative of the Institute was the Kennedy School, a program serving 75 students with learning and emotional challenges. The program was funded by the District of Columbia Public Schools (DCPS) Special Education Division. The founders of the Kennedy School were the Sisters of Notre Dame de Namur, who pioneered the belief that children with cognitive and learning impairments could learn. The sisters' vision was to prepare such children for a meaningful life with their families and in their communities.

One of the first meetings I scheduled upon my arrival was a session with the Superintendent of Special Education, since 90% of the funding for the Kennedy School, and therefore for the Kennedy Institute, depended on DCPS funding.

I met with the Superintendent in August 1978, and she proceeded to advise me that she would be terminating our contract and closing the Kennedy School. She intended to integrate all of the students in regular or special education classes of the District of Columbia Public Schools, thereby implementing Public Law 94-142 (the precursor to IDEA, the federal law that mandates that the least restrictive environment be provided for students in need of special education).

I was shocked! I had just taken this job and the program was going to be closed, after 20 years of existence as a successful and highly regarded school. The Lt. Joseph P. Kennedy Jr. Foundation had donated the funds that built the Kennedy Institute headquarters in the early 1950s. In the late '50s and early '60s, Eunice Kennedy Shriver had worked with Kennedy School students training them in sports and athletics. From her experiences, came the idea of the Special Olympics, which she founded and which continues to be the premier sporting event for children and adults with cognitive disabilities.

Sargent Shriver had called me a few weeks after I began at Kennedy to congratulate me and to welcome me into the "family." Shortly thereafter, Mrs. Shriver called to suggest that we meet, which we did in the fall of 1978. During that meeting, I shared the outcome of my conversation with the DCPS Special Education Superintendent, and the possibility that the Kennedy Institute would have to close. Mrs. Shriver had an immediate solution: develop a strategic plan. She paid for a consultant to help me, the staff and the board develop the first strategic plan for the Kennedy Institute.

The plan delineated possibilities for diversifying the programs and the funding sources and creating a strong board. It began the practice of strategic planning and strategic thinking. From 1978 to 1993, when I left the Kennedy Institute, the organization grew in budget size (from $400,000 a year to over $8 million); in funding sources (from one to 45); in programs (from the Kennedy School to residential, employment, continuing education, therapeutic, advocacy and preschool services) and in staff (from 25 to 300 professionals).

Without that first strategic plan we would not have been able to focus, to grow, to be strategic about the next steps. And without subsequent plans, we would not have been able to grow as systematically as we did. We would not have been able to attract the funding and board members whose support contributed so much to our success.

Throughout my work since leaving the Kennedy Institute, I have found that clarifying mission, strategies and goals, developing a plan to ensure their effective implementation, and developing mechanisms to hold organizations accountable to achieving their plan's outcomes, are essential for organizational effectiveness. Without a strategic plan, an organization tends to become reactive. Without a plan, an organization falls prey to the ideas, plans or agendas of founders, funders, clients, stakeholders, staff or board members. Such programs or priorities may conflict with each other and not offer the best and most strategic approach to the accomplishment of the mission. Those ideas may also change as their proponents do, leaving the organization without a steady course of action.

What is Effective Strategic Planning?

As I prepare to teach the class on Strategic Planning at Georgetown University, I ask my students — most of whom are executives with nonprofit organizations — what they gained from the development of a strategic plan. They say:
- It unified the organization toward a common mission.
- It gave us a course of action to follow.
- It helped us establish outcomes and ways to evaluate our success.
- It ensured board, staff and clients' "buy-in."
- It gave us the discipline to decide what to do and the accountability to do it.

I also ask them what they did not gain. They say:
- We spent so much time developing the plan and then nothing changed.
- There was no follow-through.
- We did an operational plan, not a strategic plan.
- One of our board/staff members facilitated it, and s/he was frustrated (and so were we) because s/he could not participate in sharing his/her ideas.
- One of our board/staff members facilitated it, and s/he was frustrated (and so were we) because instead of facilitating, s/he became an active participant in the discussion and the process and flow were totally disrupted.

So, what are the essential elements for an effective strategic planning process, one that will produce a useful plan?
1. The involvement of all stakeholders (as a way to ensure that the plan will be implemented).
2. The ability of key organizational leaders to think strategically. Strategic insights cannot be controlled or anticipated, hence the development of true effective strategies is most difficult, particularly if the timing is fixed and the process rigid.
3. An effective process that guides the strategic thinking but does not control it, allowing time for strategies to surface.
4. A skilled consultant and facilitator who knows the questions to ask, the tempo to use, the leadership to use and the leadership to elicit.
5. A clear implementation plan that determines the specific tasks, responsibilities time frame and funding implications for each strategy.

Is Strategic Planning an Oxymoron?

Studies of the success of organizations reveal that the best strategies were created serendipitously, at the oddest times, in strange places, by the most unusual people. It is common to hear people say that their best, most insightful thinking has taken place in the shower, on a long hike in the mountains, sailing alone to nowhere… Designing a strategy, therefore, is not necessarily something we can plan. It is difficult, if not impossible, to force our brain to become creative and "strategic" on a particular day, time, place.

Planning, on the other hand, is a process that can be successfully structured. If a program needs to grow by a certain percentage in size and funding, we can plan to raise more money, hire more staff and find more space. So planning is linear and predictable. Making strategy is imaginative, not sequential, and hard to define systematically.

Strategic planning is, indeed, an oxymoron.

I address this contradiction by describing the steps in a planning process, and the areas of organizational life and structure that need to be clarified (such as mission and goals, or the role of the board in making strategic decisions) in order to ensure effectiveness. I also describe processes for making strategy, within and outside of the planning process. A good strategic plan is both strategic and systematic. Effective organizations know that to have and live out of a plan that is both strategic and systematic requires different processes.

Strategic Plans & Operational Plans

A strategic planning process focuses on developing the strategies required to best fulfill the organization's vision and implement its mission. An operational plan determines how and when those strategies are actualized, who is responsible for their effective implementation, how success will be evaluated and how much it will all cost. Sometimes a fundraising/fiscal sustainability plan follows.

WHAT DOES A STRATEGIC PLAN LOOK LIKE?

Strategic Plans take many forms (see Appendix A for sample plans), but they should include the following elements:

The Vision
The vision statement is either:
- A statement of values and beliefs as to how society will be changed in the future as a result of the work of the organization;
- Or, a description of the organization in its ideal state: scale, scope, programs, personnel, finances, and management and intended results.

Some organizations include in their vision statement shared beliefs, values and philosophy, while other organizations prefer to keep the statement of values separate.

A good vision statement defines success for the organization, communicates the organization's compelling dreams and images of future achievements, inspires and challenges, stretches the imagination, and captures dreams of capabilities and possibilities.

Strategic plans now being written that include a vision often call it a "20/20 Vision," suggesting both a date in the future and the ability to see clearly the desired futures.

The Values
The values statement gives the principles, standards and ideals guiding the behavior of the organization's staff, board and stakeholders in accomplishing the mission.

A good values statement incorporates the culture and history of the organization, inspires stakeholders, and clarifies the organization's philosophical approach to accomplishing its mission.

The Mission
The mission statement expresses the distinctive identity, essence and purpose of an organization. It usually is rather brief, but may be followed by a limited series of itemized statements of specific programs, constituencies or overall operational elements.

A good mission statement clarifies the basic social needs the organization exists to fill; describes what the organization does to recognize, anticipate or respond to such needs, including the organization's primary contribution to its constituency; describes the constituency served; delimits the geographical area served.

A mission statement should address six questions:
1. Who are we?
2. Who are the people we serve? Our customers? Our clients?
3. What do our members/customers consider value?
4. What makes us unique and distinctive?
5. Where do we accomplish our mission?
6. What are our programs and services?

Organizations often seek the develop a "Tagline," a short catchy phrase that can be used on stationery and other publicity materials. We should not confuse the tagline with the mission or vision, or try to squeeze all the concepts embedded in a mission statement in a few words.

The Critical Areas of Engagement

Critical areas of engagement define focus areas that must be addressed in order to ensure the effective implementation of the mission.

There are different critical areas of engagement in different periods of the organization's life, and they dictate different strategies and goals. That is why it is important to engage in strategic thinking and planning every few (3 to 5) years, or whenever the critical areas change.

Good critical areas of engagement can be realistically addressed by the organization; they address challenges or mandates that, if not addressed, cause serious consequences or inhibit the successful accomplishment of the mission. Critical areas of engagement have long-term implications and major impact on the organization. Addressing and resolving critical areas results in significant changes, in the development of new products or services, in expansion, reduction or elimination of existing programs or services.

Goals/Outcomes

Goals/outcomes define the desired success in addressing the critical areas. They are aspirational in nature and global in perspective. They focus on what should be accomplished by the organization over the period of the strategic plan. Several goals/outcomes are developed to address each critical area.

Goals need to be written to include an element of evaluation. For example the goal of an after-school mentoring organization that wants to expand would state:
Our goal over the next three years is to replicate our model in three localities on the East Coast of the United States, ensuring local support, politically and financially.
Rather than
Our goal over the next three years is to expand our programs and services.
The more specifically the strategic goals are written, the easier it will be to assess their implementation.

The Strategies

Strategies are approaches, directions, initiatives or programs, adopted by an organization to ensure that the goals or outcomes are reached. Strategies are intended to address how the internal capacity of the organization can best meet the external challenges or opportunities. Sometimes a strategy suggests investing resources, sometimes divesting of them. Strategies can lead to partnerships and strategic alliances or develop a brand new area of intervention (such as adding "advocacy" or "education" to the organization's span of activities).

Developing a strategy is not a linear process. Sometimes organizations develop strategies during the strategic planning retreat (described later in the essay). Sometimes strategies surface through other, less linear, processes.

The Contextual Approach. This is the traditional approach to making strategy. It looks at an organization's present context (how the organizational capacity relates to the external environment) and is best suited for an organization that wants strategies to focus on how to better implement its mission and fulfill the vision. Some organization planning groups find it helpful to analyze strategically how strengths (S), and weaknesses (W) relate to opportunities (O) and threats (T). The result of this SWOT analysis reveals areas of strategic investment or divestment, elimination, partnerships or collaboration.

Not all planning groups find this process helpful to determine strategies. When this process is not effective, new techniques and methodologies need to be used to arrive at strategies. Sometimes it is through asking important and "strategic" questions. Sometimes small groups focus on "solutions" and then propose them to the group. Sometimes individuals within the group make recommendations for the group to discuss.

The Revolutionary Approach. There is a radical approach to developing strategies outside of the organization's present context. By challenging present practices and assumptions, this approach helps organizational planning groups look at future possibilities and seeks to incorporate bigger changes into the organization's perspective. It is an approach that feels zero-based (no or few contextual assumptions),

challenges the present, and promotes thinking outside the box. Developing scenarios sometimes helps in the revolutionary approach to making strategy, by stretching and refocusing thinking, exploring possible options for strategic directions without wasting resources, and allowing the group to develop a deeper appreciation for the myriad factors that can shape the future.

The revolutionary approach includes working with teams of people who are free thinkers, younger members of the staff (young in age and in tenure with the organization), stakeholders who are perhaps more distant from the day to day operations, first time "customers" or users of services, and people who see the organization differently than the present leaders, board members and staff. Engaging these individuals in the planning process facilitates the creation of strategies that are inventive and original, and might offer a new creative approach to addressing a critical issue.

Through the revolutionary approach, planning groups or individuals review and analyze unexpected and unplanned events in the organization's past, listen to those with diverse opinions, are open to major changes, and look at options beyond customary organizational boundaries.

The Insightful Approach. While not an actual planning process, this approach creates an environment that encourages creative thinking and the discovery and expression of new strategies as they reveal themselves through the insights of organizational leaders. These insights may reflect a style of bottom-up management instead of top-down that will feel new to the organization. This mindset can be attached to specific brainstorming sessions and strategic thinking exercises, but the ultimate purpose is to keep it a continuous exercise. The insightful approach can also be incorporated into both the contextual approach and the revolutionary approach to planning. (See Appendix B for more on insightful approach as a management practice that develops strategic thinkers)

No matter what process organizations finally choose, the essential outcomes must be strategic determinations, insightful approaches to the successful implementation of the mission.

After the strategies have been determined, the "strategic" part of a strategic plan is complete, and the role and responsibility of the Board of Directors in strategic thinking and planning end here.

You will find in the literature examples of strategic plans that include other categories, such as objectives, tasks and activities, evaluation, timelines and deadlines, responsibility and cost. These categories of planning are operational and not strategic and are best captured in a different document, the operational plan. The operational plan is developed by the staff. While the strategic plan covers several years, the operational plan covers one year and is ideally aligned with the organization's fiscal year.

Boards should be encouraged to develop their own operational plans, called a Board Action Plan. It defines the specific objectives, tasks, responsibilities and cost for those activities that are the responsibility of the board to fulfill.

What is the Process to Develop a Strategic Plan?

The development of a Strategic Plan is a systematic, cooperative process. It involves the deployment of board members, staff and consultant resources, and is accomplished within a specific time frame. What follows is a suggestion of the seven steps needed to complete a Strategic Plan and to ensure its use and usefulness.

1. **Establish the parameters for the strategic planning process.**
   During this phase, agreement is reached on the preferred steps in the process, the form and timing of all reports, the role of all stakeholders and of the consultant. Necessary resources are committed to proceed with the effort.

   A Strategic Planning Steering Committee is formed, composed of two to three board members and two to three staff. The consultant works to support the work and decisions of the Strategic Planning Steering Committee.

The Committee does not make the strategic decisions, but determines the process to be used to reach the development and completion of the Strategic Plan. Strategic Planning Steering Committees often recommend the time span for the plan (3 or 5 years, rarely longer), determine the extent and depth of the external and internal assessments, the location, date and agenda for the strategic planning retreat, and the steps needed to complete the planning process after the retreat.

2. **Assess the external environment, conduct an environmental scan.**
   (See Appendix C for questions that will assist in this assessment.)
   A period of in-depth study marks this step in the planning process. Determination is made of the opportunities and threats or obstacles in the accomplishment of the mission. Opportunities and threats are determined through the following activities:
   - Examination of the political, economic, social, technological, educational and physical trends and forces.
   - Research into the needs and expectations of present and future recipients of the organization's work.
   - Analysis of the impact of present and potential collaborators' and competitors' mission and plans.

   The information needed to complete the analysis of the environment can be collected with surveys to internal and external stakeholders, focus groups, individual interviews and web based research. The members of the Strategic Planning Steering Committee and the strategic planning consultant organize this process and assign the various tasks to each other and to members of the Board and staff.

   The result of this research and analysis is documented in an executive summary listing the environment positive factors as opportunities and the negative factors as threats which impact the future plans for the school.

3. **Assess the internal environment and determine organizational capacity.**
   (See Appendix C for questions that will assist in this assessment.)
   This phase is evaluative in nature. The organization identifies its own internal strengths and weaknesses through the following activities:
   - Evaluation of the effectiveness of the resources supporting the organization's efforts (board, funding, professional capabilities).

- Assessment of the present overall strategies.
- Determination of satisfaction of members and other stakeholders.
- Assessment of the adequacy of space, equipment, physical assets.

The information needed to complete the analysis of the capacity of the organization can be collected with surveys to internal and external stakeholders, focus groups, individual interviews and web based research. The members of the Strategic Planning Steering Committee and the strategic planning consultant organize this process and assign the various tasks to each other and to members of the Board and the staff.

The result of this research and analysis is documented in an executive summary listing the positive factors as strengths and the negative factors as weaknesses for the organization.

4. Plan and hold a strategic planning retreat.
   Board members, the CEO and key staff participate in a 6–8 hours session(s) to:
   - Review the result of the external and internal assessments, analyzing strengths and weaknesses as a result of the internal assessment, and opportunities and threats, as a result of the external assessment.
   - Confirm the Vision, Values and Mission statements.
   - Identify the critical areas of engagement. Critical areas are fundamental challenges that affect the mission and that, if not addressed, would impair the successful accomplishment of the mission.
   - Formulate the goals or outcomes.
   - Determine the strategies to ensure successful implementation of the goals and outcomes.

5. **Draft the strategic plan from the retreat notes.**
   As determined by the Strategic Planning Steering Committee, a staff or board member or the consultant prepares a document that summarizes the decisions made by the group at the retreat. The document is reviewed and revised by the Committee and presented to the board and senior staff for approval or modification.

6. **Approve the Strategic Plan and begin the process of developing the Operational Plan.**
   The Operational plan is developed by the CEO and his/her senior team, with input from staff. While the

strategic plan covers several years, the operational plan covers one year and is ideally aligned with the organization's fiscal year. The Operational Plan includes categories such as objectives, tasks and activities, responsibility, time frame, cost and evaluation. The Operational Plan needs to be aligned with the individual performance expectations and goals of the CEO and staff. The Operational Plan needs to organization will implement the goals and strategies for the first year of the strategic plan period.

While the Board does not need to approve the Operational Plan, because it is a management tool, the CEO provides a progress report to the Board at its regular meetings based on the yearly goals and objectives enumerated in the Operational Plan.

Boards should be encouraged to develop their own Operational Plans, called a Board Action Plan. It defines the specific objectives, tasks, responsibilities and cost for the activities that are the responsibility of the Board to fulfill.

See Appendix D for a sample format of an Operational Plan.

7. **Develop a process to ensure that the Strategic Plan is reviewed and revised periodically.**
   A yearly or semi-yearly review of the strategic plan is an effective means to ensure that progress is made on its outcomes, that the strategies remain strategic, and that the board and staff know that their efforts are being recognized, monitored and supported.

What are the Key Trends in Strategic Planning?

1. The period for a strategic plan has decreased steadily from five or even 10 years to three years. The pace of change has intensified over the past 20 years, and staff and board members are hesitant to plan beyond three years.

2. Most organizations now have a strategic plan. That was not the case in the '70s and '80s. Several factors are responsible for this trend:
a. Many foundations now expect a strategic plan as part of the organization's request for funding.

b. Other major donors also require a plan, to see how the request for funding fits in the overall organizational strategy.
c. Individuals being solicited for board membership ask for a strategic plan.
d. When mergers occur, strategic plans are essential in determining if the organizations are compatible for a possible merger.
e. Increased demands for accountability from nonprofits by the media, government and the general public has intensified and nonprofits need to be prepared to document progress and success.

3. The process of strategic planning is becoming a cooperative effort between the staff and the board. In the past, it was often seen as a staff-driven function.

4. The time taken to develop mission and vision statements has dramatically decreased. Boards and staff no longer have the patience to discuss and wordsmith mission and vision statements for days. An entire plan, inclusive of vision, mission, values, outcomes and strategies now can be developed in a day of intense work, as long as adequate preparation precedes the planning time.

Conclusion

I encourage every nonprofit organization I am privileged to know or work with, to have a strategic plan. This is not because the funders request it, or because others have it, or because it's the current thing to do. With a strategic plan, the organization will put its resources in effective programs, will implement coherent and common tactics at the board and staff level, will have strategic guidance on how to assess its success and effectiveness, or will enhance opportunities to truly impact the field, and fulfill its potential in serving its clients.

Michela M. Perrone, Ph.D.

About the Author

Michela M. Perrone, Ph.D., is the President of MMP Associates, a consulting firm established in 1993 to support the successful development and increased effectiveness of organizations, boards and CEOs in the United States and Europe.

Dr. Perrone is a faculty member of Georgetown University's Center for Public and Nonprofit Leadership, a Senior Associate of Board Source, and a consultant and trainer for the Center for Nonprofit Advancement in Washington D. C. She works with hundreds of Board members, organizations, and Chief Executives annually to support their development and increase their effectiveness.

After coming to the U. S. from her native Italy as a Fulbright Scholar, Dr. Perrone served for 15 years as President and Chief Executive Officer of the Lt. Joseph P. Jr. Kennedy Institute in Washington D. C., a prominent nonprofit organization supporting children and adults with intellectual disabilities.

Appendix A
Strategic Plans Samples

Nonprofit "ABC"
Strategic Plan 2008–2010

INTRODUCTION

The following strategic goals reflect the critical issues facing the agency at this time. There will be a continuous evaluation process to ensure an appropriate organizational response to the evolving internal and external environment. These goals are intended to supplement the agency's ongoing commitment to provision of the highest quality services and maintenance of a strong financial position.

MISSION STATEMENT

ABC is a private non-profit agency serving the Washington metropolitan area. We enable vulnerable people to remain in their own homes in comfort, safety, and dignity. We do this by:

- Providing comprehensive home care services,
- Training those interested in meaningful careers in the home care field, and
- Supporting family caregivers.
  We are committed to excellence; we embrace diversity; and we serve those in need with priority given to those unable to pay the full cost of care.

STRATEGIC PRIORITY 2008–2010

Maintain position of excellence through the focused growth of select programs, preparation for changes in the regulatory and funding atmosphere, enhancement of the agency's financial position and continuous engagement and training for board and senior management staff.

GOALS

1. TARGET GROWTH:

Seek diversified funding sources to maintain a sustainable financial base while broadening the scope of services to meet the needs of clients and changes in the regulatory environment.

Objectives:

- Expand at least one innovative program through a new funding base.
  2010

- Explore the feasibility of expanding training offerings to include a Certified Nursing Assistant program.
  2009
- Enhance the agency's capacity to provide nursing supervision for Aides.
  2010
- Advocate to maintain XYZ's unique model of service delivery.
  2010

2. INCREASE FUNDRAISING CAPAPCITY:

Create an organizational infrastructure to support fundraising efforts and resource development.

Objectives:

- Create organizational infrastructure to support fundraising and resource development.
  2008
- Update agency website to enhance agency profile and encourage online fundraising.
  2008
- Increase board participation in fundraising through 100% board member donations and 20% annual increase in aggregate board giving.
  2008

3. ENHANCE CAPACITY OF BOARD AND SENIOR STAFF:

Engage the board and senior staff in ongoing professional development activities to ensure that the leadership of the agency is prepared for potential opportunities and threats.

Objectives

- Implement a plan to enhance board member training, and engagement while building the connection between board and agency staff.
  2008
- Conduct annual board assessment to include a review of board composition.
  2008
- Develop professional development plans for senior managers to ensure continued professional growth, cross-training, and support of the leadership succession plan.
  2008

APPENDIX A
STRATEGIC PLANS SAMPLES

NONPROFIT "MNO"
STRATEGIC PLAN 2001–2006
Celebrating the past – embracing the future

MISSION
The mission of MNO is to enrich the human spirit through the art of choral music. The pursuit of excellence in repertoire and performance is at the core of all of our work. We aim to reach a broad range of audiences, in the Washington Region, the nation and abroad.

VISION
The MNO of Washington is to be America's premiere symphonic chorus.

PRIORITIES	GOALS
A. Pursue excellence and enhance quality.	1. Enlarge the repertoire. 2. Expand the season. 3. Enhance performance quality. 4. Recruit soloists and guest conductors of renown. 5. Attain greater flexibility of venues and performance dates. 6. Create collaborative performances. 7. Present other choruses of renown.
B. Expand and diversify audience.	1. Expand audiences through touring nationally and internationally. 2. Expand national audiences with radio programming. 3. Produce annual recordings of high quality with superior distribution. 4. Win a Grammy. 5. Expand national audiences with television programming. 6. Expand and strengthen community outreach and education programs. 7. Refine and increase the use of technology.

Appendix A
Strategic Plans Samples

Nonprofit "MNO"
Strategic Plan 2001–2006 (continued)

PRIORITY A: PURSUE EXCELLENCE AND ENHANCE QUALITY

GOALS	OBJECTIVES				
	2001–2002	2002–2003	2003–2004	2004–2005	2005–2006
1. Enlarge repertoire	Follow the theme of "balance of old and new, past and future" A minimum of one commission each year Corigliano's commission in the 2003–2004 season				
2. Expand the season	4 concerts Possibly 5	5 concerts Evaluate impact, cost, benefits	5 concerts Evaluate impact, cost, benefits	6 concerts Evaluate impact, cost, benefits	7 concerts Evaluate impact, cost, benefits
3. Enhance performance quality	Increase chorus discipline	Continue and perfect			
	Expand chorister pool	Continue and perfect			
	Increase orchestra rehearsal time	Continue and perfect			
	Improve recording engineering	Continue and perfect			
		Re-establish professional presence	Evaluate impact and effectiveness	Continue according to results of the evaluation	
	Enhance lighting	Enhance dress	Continue and perfect.		
4. Recruit soloists and guest conductors of renown	One soloist Christmas	One soloist One conductor	One soloist One conductor	Two soloists One conductor	Two soloists One conductor
5. Attain greater flexibility of venues	Study feasibility	One performance in new venue	Two performances in new venue	Two performances in new venue	Two performances in new venue
6. Create collaborative performances	Laser light Slide designer	Dance	Actor	Geographic diversity	Staged performance
7. Present other choruses of renown	Study feasibility to present other choruses	Present one chorus and evaluate impact	Continue presentation of choruses as part of CASW concerts or as a separate offering if evaluation reveals positive fiscal impact and enhanced reputation		

Appendix A
Strategic Plans Samples

Nonprofit "MNO"
Strategic Plan 2001–2006 (continued)

Priority B: Expand and diversify audiences

GOALS	OBJECTIVES				
	2001–2002	2002–2003	2003–2004	2004–2005	2005–2006
1. Expand audience through touring nationally and internationally	One tour	One tour	No tour	One tour	No tour
	Study feasibility and capacity of $2 million endowment campaign	If feasible, begin endowment campaign	Continue endowment campaign	Complete endowment campaign	Prepare a plan for future tours
2. Expand national audiences with radio programming	Produce 7 concerts and recruit corporate and media partners	Produce 7 concerts and cultivate partners	Produce 7 concerts and recruit new partners	Produce 7 concerts and nurture all partnerships	Produce 7 concerts and solidify partnerships
	Evaluate audience and impact	If evaluation is positive, continue offerings			
	Design programming for year 2, 3	Design programming for year 4, 5	Design programming for year 6, 7	Design programming for year 8, 9	Design programming for year 10, 11
3. Produce annual recordings of high quality with superior distribution	Prepare a 3 year plan	One recording	One recording	One recording	One recording
4. Win a Grammy	Prepare a plan and begin mobilizing grassroots	Continue implementing the plan	Win a Grammy!	Celebrate performances in new venue	Prepare a plan to win another Grammy
5. Expand national audiences with television programming	Design national programming	Develop media and corporate partnerships Develop and implement marketing plan	Broadcast MLK concert Expand corporate partnerships	Broadcast one concert Evaluate impact and benefits	Broadcast one or more concerts adhering to evaluation
6. Expand and strengthen community outreach and education programs	Develop criteria for evaluation of effectiveness and impact	Modify programs according to evaluation results	Design and disseminate models nationally	Win an award	Continue local and national exposure
7. Refine and increase the use of technology	Develop a technology plan	Begin to implement	Continue to implement	Complete implementation	Develop a new plan

Appendix A
Strategic Plans Samples

Nonprofit "MNO"
Strategic Plan 2001–2006 (continued)

requirements in infrastructure improvements to support implementation of the strategic plan goals

Fundraising:
- Develop a fundraising plan to support expansion contemplated in the strategic plan.
- Develop a plan to successfully raise funds for the touring endowment.

Board Development:
- Review board composition.
- Review board's capacity and motivation to support growing financial needs of MNO.
- Review and revise by-laws.

Staff Development:
- Review personnel policies.
- Prepare a staffing plan to support successful accomplishment of the strategic plan goals.

Space:
- Review space availability and needs.

Appendix A
Strategic Plans Samples

Nonprofit "XYZ"
Strategic Plan –2008

The strategic plan will be effective from its approval through December 31, 2010.

MISSION

XYZ is the community-based, nonprofit partner of a zoological park. Through its visitor and membership services, fundraising, and educational programs, XYZ connects people with wildlife.

Working with the zoological park and a broad array of partners who share its passion for conserving wildlife, XYZ is building a constituency committed to understanding and restoring an endangered natural world.

VISION

XYZ broadens the way people around the corner and across the world learn, care, and act to conserve wildlife and nature. Through the services, programs, and support it delivers, XYZ advances the zoological park in becoming the world's finest.

GOAL: PROVIDE AN UNSURPASSED ZOO VISITOR EXPERIENCE ON-SITE AND ONLINE

1. Develop effective collaborative processes, structures, and procedures with the zoological park that maximize the combined strengths of both. Enhance the collaboration and teamwork of XYZ and park staff and integrate our programs with those of other SI units.

2. Communicate clearly and regularly the role of XYZ in advancing the goals of the zoological park to employees, XYZ members, and the public.

3. Strengthen and expand partnerships with corporate, governmental, nonprofit, and educational entities in the furtherance of joint XYZ and zoological park objectives.

4. Increase XYZ memberships and expand the national XYZ membership base. Enhance contact with and support from a larger membership base.

5. Clarify and communicate the interrelated roles of XYZ and the zoological park in the upcoming capital campaign to renew the park. Build effective mechanisms to coordinate activities of both XYZ and the zoological park's advisory board.

6. Expand the recruitment, training, and use of volunteers in XYZ and park work. Ensure an excellent volunteer experience by providing volunteers with up-to-date training and information, performance assessment, and quality support.

GOAL: ACHIEVE MANAGERIAL EXCELLENCE, FINANCIAL STRENGTH AND STABILITY

1. Develop and implement a business strategy to operate efficiently and effectively as a "business enterprise," one that invests in new processes, approaches, technologies, and facilities to improve services and increase revenues.

2. Build a financial reserve that will sustain the XYZ operations and activities in the event of unforeseen disruptions; review and monitor investment policies to balance investment returns with the board's fiduciary duties; provide a clear, timely, and accurate representation of XYZ's financial position and its contributions to the zoological park.

3. Develop clear priority-setting processes to determine how XYZ uses its resources and how the zoological park uses XYZ's contributions.

4. Develop fair and equitable performance assessment, compensation, and reward processes and structures for all XYZ employees.

5. Broaden and enrich XYZ employees' experience and training to meet changing organizational needs, develop leadership skills, and provide opportunities for career enrichment and advancement.

Appendix A
Strategic Plans Samples

Nonprofit "XYZ"
Strategic Plan 2008 (continued)

Values (for consideration)*

1. **Integrity** We are committed to honest and ethical behavior in all that we do. We are accountable and responsible for our decisions and actions.

2. **Transparency** We are committed to openness in our operation and communicate truthfully about our efforts and activities.

3. **Collaboration and Teamwork** We believe that insight, creativity, and wisdom emerge when we engage the participation and perspectives of many individuals and groups.

4. **Creativity** We encourage originality, innovation, and growth through change.

  *Our thanks to the American Association of Museums whose listing and description of its values mirrors many of our own.

Appendix B
Key Components of Strategic Planning Using the Insightful Approach

the insightful approach is not a process, it is a management/leadership philosophy. It is best applied when organizations need to think strategically, rather than formulating an actual Strategic Plan. Staff and board members within organizations constantly have strategic ideas. The insightful approach to strategy development is to create a work and governance environment that elicits and supports the discovery and expression of new strategies as they reveal themselves through the insights of organizational leaders, staff and board members.

If an organization needs....
- New strategies and tactics aimed at implementing the mission
- Different "angles" in programs and services because the old ways are no longer effective
- Creativity and innovation among the staff and board
- Flexibility in program planning and implementation
- A way to involve all board members and staff in thinking strategically all the time (not only during fixed "strategic planning times")

Because it realizes that....
- The strategic plan is a helpful tool to organize actions, but the organization has experienced stagnation and has not grown or diversified
- Board and staff have not generated creative and innovative ideas in a long time
- Its risk-averse culture has stymied progress
- Funders are asking for new programs and services or are discontinuing support for existing programs and services
- Regular systematic board and staff meetings do not stimulate creative thinking
- The traditional planning cycle is not conducive to supporting the programs, management or board changes the organization requires

....it should choose the Insightful Approach to Strategic Thinking.

In order to be effective in using the Insightful Approach to Strategic Thinking organizations need to create an environment where new ideas generated by staff and board members are welcome and received positively. Such an environment includes:
- Open door policy for staff to approach management
- Openness by the board chair and chairs of committees to discuss issues and decisions with all board members
- Opportunities for staff to share ideas with management and each other through:
  - "Suggestion boxes,"
  - An email system,
  - Open agendas at staff meetings,
  - Informal conversations during "off" times leading to the generation of new ideas, and
  - Systematic analysis of the new ideas and timely feedback to the person generating the new ideas as to their possible implementation.
- Opportunities for board members to share ideas with board leadership and each other through:
  - Assigning time during board meetings for open discussion,
  - Organizing opportunities for board members to interact with the organization's programs and staff and structure time for individual feedback, and
  - Organizing opportunities for board members to interact with each other in informal settings.
- Opportunities for board and staff members to take risks
- A positive attitude by the organization's leadership toward those who challenge the status quo

In order to create an environment open to the development of new "insights" which then lead to new strategies, organizations need to be aware of how creativity is encouraged among board and staff members. New insights are the results of the work of creative "brains." Creative brains within an organization are encouraged if the organizational culture understands and respects these realities:
- Creativity is messy: the more we structure it and order it, the more we shut it down.
- Creative insights cannot be demanded; they can only be encouraged by creating a receptive environment.
- Risks can and should be taken.
- Mistakes will be made, and we will learn from them.
- Rules might need to be changed.
- Basic organizational assumptions can be questioned.
- Permission for independent thinking and action will be given.

There are six steps leading to the generation of a new creative insight and its application within an organization strategic thinking process:

1. Interest
2. Preparation
3. Incubation
4. Illumination
5. Verification
6. Application

1. Interest

The organization or individuals within an organization express interest in a particular facet of strategic thinking, such as program strategies, management or board issues, and are motivated by addressing the issue.

2. Preparation

The organization gathers information and analyzes data necessary to address the issue.

3. Incubation

The board and staff of the organization now have a problem to work on and are motivated to solve it. The incubation period is a "right brain" process and requires the unleashing of intuitive thinking. It brings solutions to the surface through an unconscious process. It works best when the individuals are totally disengaged from the task at hand and are relaxed or doing something else. Sometimes incubation takes only a few hours, sometimes days. And it does not happen in a neat, chronological manner. This is when organizations need to be sensitive to the process and allow staff and board members time and space to "incubate" potential new insights, rather than demanding immediate solutions.

4. Illumination

This is called the "aha" or "Eureka" in the insightful creative process. At this time, the new idea "pops" into our minds as potential solutions. The insight has now revealed itself and the organization is ready to reflect on it and study its implications.

5. Verification

This step requires an objective view of the new insight in light of the issue the strategic thinking process intended to address.

6. Application

This final step analyses the implications for implementation of the new insight within the organization and evaluates its potential effect on addressing the issue at hand.

Boards and organizations can actually learn creativity and structure the environment to ensure that the creative process is supported and welcome.

While the creative process is a natural process and often takes place without our self-conscious awareness, creativity can be greatly enhanced if this process is understood and boards and organizations engage in it in a conscious way. Staff and board members need to be given time to prepare and to incubate ideas, and environments for such incubation period need to be open, flexible and varied. Staff offices, boardrooms, windowless cubicles, hotel conference rooms are often the least conducive environments for true insightful strategic thinking. Yet, they seem to be the first places we go to when we want a solution to a quandary or an innovative approach to an old problem.

Brain research indicates that the most creative insights and the best strategic solutions "popped" into the brain of individuals when they were in the shower, driving away from the office, while on vacation or at the end of a vacation period, while at a concert, walking in the woods, along the beach, swimming… In other words, organizations and boards need to encourage the natural development of insights by giving staff and board members the time and (ideally) the space for the creative brain to function.

Appendix C
the External Assessment in Strategic Planning

The External Assessment, or External Environmental Scan, in strategic planning is an inventory of the political, economic, social, and technological forces that influence the mission and goals of an organization, and how it functions. It involves analysis of the current environment and the trends that may affect it. It also includes an analysis of competitive and collaborative forces and agents.

The result of an external assessment reveals the opportunities and threats that confront the organization.

Some questions used to assess economic trends and forces are:

- What are the global or national economic trends that might affect our funders?

- What are the labor trends that might affect our benefit and compensation packages? What are our staff recruitment and retention strategies?

- What do our tax dollars support in relation to our organization's programs and services? Should we expect similar support in the future?

- How does the trend of corporate mergers affect our mission?

- What other local, regional or national economic factors influence our organization? How will these affect us in the future?

Some questions used to assess political trends and forces are:

- What is the blend of services offered by government, nonprofit and corporate sectors? How might that blend change in the future?

- What political trends affect our customers and stakeholders?

- Will there be more or less involvement of government in the provision of services included in our mission? How will changes in the role of government change our mission?

- What other political factors and trends may affect our mission?

- Who are our competitors and collaborators? What are their agendas and priorities?

Some questions used to assess trends and forces in the social environment are:

- How will a change in population diversity or density affect our organization?

- What are the population trends for the next five to ten years that might affect our organization?

- What other social trends may affect our mission in the future?

Some questions used to assess trends and forces in the technological environment are:

- What changes in computer and communication technology are likely to affect our organization?

- How will changes in transportation technology affect our workforce, clients, and stakeholders?

- What other technological trends may affect our organization in the future?

Appendix C
the Internal Assessment in Strategic Planning

The Internal Assessment, or Internal Environmental Scan, in strategic planning is an inventory of the strengths and weaknesses in the internal operations of an organization. It includes a survey of human and physical resources, an analysis of the satisfaction of clients and stakeholders, and an assessment of the effectiveness of the board and of the staff.

The result of an internal assessment reveals the strengths and weaknesses that confront the organization.

Some evaluative questions the organization might ask are:

- What is the age and make up of our clients?

- What do our clients expect of us?

- How satisfied are they of our services?

- What do our stakeholders need or expect from us?

- How well have we performed against those expectations in the past?

- What have we learned from occurrences of non-performance?

- How well do we perform relative to our competitors?

- What do our competitors think of the quality and quantity of our services?

- What social forces influence our workforce (e.g. family unit size, work flexibility requests, child/parent care issues?)?

- What are the resources required to operate our programs?

- What are our major costs? Which ones are likely to increase or decrease in the future?

- What portion of our payroll is benefits? How high are employees' benefits? How likely is it that compensation and benefit packages will increase in the future?

- How effectively are our programs operated?

- What are the immediate results that can be observed as a result of our programs?

- What are the outcomes of our programs and services on the client's life and society?

- How effective is our Board of Directors?

- How effective is our management and leadership?

- How effective is our staff?

APPENDIX D
OPERATIONAL PLAN
SAMPLE FORMAT

OPERATIONAL PLAN

One Year

Critical Area of Engagement_____

Goal or Outcome _____

Strategy _____

ACTIVITIES	TIMEFRAME	RESPONSIBILITY	COST	EVALUATION

Strategy _____

ACTIVITIES	TIMEFRAME	RESPONSIBILITY	COST	EVALUATION