HOW TO ACHIEVE YOUR PREFERRED FUTURE

By Answering

Ten Critical Questions

An e-book

by

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Introduction

My Motivation

At the time of this writing, strategic planning was consuming a considerable amount of my time and attention. During the previous year, I had been busy working with several clients on strategic planning projects that gave me a real-world laboratory in which to test some of my ideas and to turn theory into practice. A major factor in their deciding to use me as a consultant to facilitate the process was the fact that I have done a considerable amount of reading and research to determine best practices in the field and have shared my thoughts through articles at various times. I also have experience from a 40-year executive career in which I was frequently responsible for leading my organization and others through strategic planning. Let's just say I have developed my own beliefs about what constitutes effective and coherent strategic planning. It seemed natural to express those conclusions in writing and to post them to my website.

In two previous articles, written in 2016 and posted to my website (www.johnbauerconsulting.com), I expressed my academic concerns about traditional strategic planning methodologies, especially in the current climate of rapid change and uncertainty. Such traditional approaches can be found in most of the books published on strategic planning (e.g., Allison and Kaye; Goodstein, Nolan and Pfeiffer; Bradford and Duncan; Bryson, and many others. See References, p. 42). At the other end of the spectrum are authors like David La Piana who rejects the whole process in favor of strategy development and execution. In my opinion, organizations are best served by following a middle ground between long-range strategic planning and the need for immediate strategy, execution, learning and nimbleness. (see http://johnbauerconsulting.com/strategic-planning-whats-point/ and http://johnbauerconsulting.com/strategic-plan-strategy-execution/). Without minimizing the thinking of those authors cited above, the approach I am about to describe has resulted in strategic processes and content which have positioned the organizations I work with to drive toward their preferred futures with confidence and intelligence.

I'd like share some of what I have learned and suggest a pathway you can follow to create a more dynamic and practical approach to strategic planning. Because it appears that strategic planning is still of significant concern to nonprofit CEOs and boards, and because I am being contacted almost exclusively to work as a consultant in that area, I felt compelled to become more explicit about what works and what doesn't. What I will lead you through is an approach based on ten simple questions that will result in the creation of a comprehensive, research-based strategic plan that BOTH describes your preferred future, AND equips you to deal with change and unanticipated challenges and opportunities WITHIN the context of the long-range strategic plan. And, to make sure the strategic plan remains a relevant tool for action and accountability, I have embedded processes for annual review and revision.

There's nothing so magical or sophisticated about this approach that you can't implement it yourself. I believe it is a common-sense approach that anybody can employ. What is important for you to know is that it has worked for others and has generated plans which are coherent and understandable to executives, governing boards and key stakeholders. If you choose to follow this method, you too can achieve your preferred future. And because I am so passionate about helping nonprofit organizations fulfill their missions and do so more effectively, I wish to give away what I have learned by making this monograph available at no charge in the form of a downloadable e-book.

Your Story

A strategic plan can be thought of as a story. It has a past, a current reality, and a future that has yet to be written. In other words, a strategic plan provides a narrative context for understanding the organization and its movement into a desirable future. Because the story is still being written, it is sometimes useful to step back and ask a few simple questions in order to establish meaning and purpose for the activities that comprise strategic planning. I have found these questions to be particularly helpful with boards of directors who may not always see the complexity of organizational processes or who lack the capacity to digest large quantities of information. While there are myriad tools, systems, methods and models of strategic planning, not all of them address all of these foundational questions. My experience has shown me that any plan that doesn't somehow answer these questions does not serve the organization well. Something will be missing.

There is nothing extraordinary or exclusive about these questions. They occurred to me because I have had to explain why I was recommending certain activities in the planning process. In fact, I have found that they often elicit additional questions, either for clarification or further analysis. Feel free to add or subtract in order to serve your needs. For my purposes, I focus on these questions to help boards understand what we are ultimately trying to accomplish through the planning process.

1. What are you doing?
2. How well are you doing it?
3. What will your environment look like in the future?
4. What does your environment look like right now?
5. Where would you prefer to be in the future?
6. Can you get there?
7. How will you know if you get there?
8. How will you address unexpected challenges and opportunities along the way?
9. How will you support continuous learning, thinking and acting?
10. How will you tell your story, to whom, and for what purpose?

The resulting strategic plan will have the potential to tell your story to your stakeholders in a powerful and effective way. It will acknowledge the past, describe current realities, and convincingly portray a future that is realistic and aspirational. Above all, it will be your unique story.

My Decision to Write

I decided to write a blog article on each of those ten questions and to post them to my website every Monday for ten consecutive weeks during the summer of 2017. If you read them when they first were posted, I hope you found them helpful in thinking about your organization and the future you would like it to achieve. At the end of ten weeks, I also provided a bonus article which described my attempt to visually depict this model. Because it was very difficult to integrate a largely linear long-range process with periodic cyclical activities, all the while implementing tools to remain nimble and responsive to unanticipated challenges and opportunities, I posted a detailed PowerPoint presentation instead, (http://johnbauerconsulting.com/extra-bonus/) including explanatory notes to illustrate the process. My hope is that it provides enough information and suggestions that you can use to guide a comprehensive strategic planning process of your own.

Having completed the blog articles, I was asked to compile them into a booklet or monograph that could be downloaded as an e-book for use by CEOs with their boards of directors. This is the result of that effort. I have edited the blog articles to do two things: first, I have changed the tone to reflect a more professional but still conversational tone, and second, I have added content to expand upon various concepts in a way that was not practical in a blog article. I have also inserted links to previous articles and various resources so you can access those materials with a simple click, assuming you are reading this on your computer and not from paper.

Your Reaction

As always, I welcome your feedback. I'd also like to hear about your own experiences with strategic planning so that I can further deepen my base of understanding of what works and why.

Above all, I hope that this short monograph is of value to you, either by deepening your own knowledge of strategic planning principles and practices, or by equipping you with the tools and methods you will need to confidently dive into this important organizational process.

As you read this brief discourse, if you have any questions or would like to discuss any of the concepts or practices, my contact information is on the last page.

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Question One: What are you doing?

So, let's begin the journey into self-discovery and planning for your preferred future. The first question carries with it the expectation that you have a clear purpose for existence and that this purpose has been articulated in some kind of a mission statement. My reason for beginning with this prerequisite is to make sure that you are absolutely clear about why you are in business and that everything you do is somehow driven by that understanding of who you are and what you are doing.

I have been mildly surprised to hear nonprofit clients tell me, "We don't have to mess around with reviewing the mission statement. Our board just went through that exercise. We're fine with our current statement. Let's just get on with writing a strategic plan."

I certainly don't wish to denigrate previous efforts of CEOs and boards to evaluate their organization's mission statement, but the strategic planning process really does need to begin with a careful analysis of what the organization is doing, with whom, how, and why. Ideally, these questions have already been answered in a pithy, one sentence statement. It's just that I've seen too many organizations treat this exercise as nothing more than a necessary but annoying task that boards periodically conduct. On the one hand, it may be viewed as an opportunity by a few to contrive a grandiloquent slogan. On the other hand, the exercise may be greeted with disdain as if it has no relevance to what the organization does. One college president told me, "We don't need a mission statement. Our mission statement is what we do every day."

Let me suggest that "mission" for a nonprofit organization can be thought of as "profits" are for private sector companies. Thought of in this manner, having a clear and effective mission statement for a nonprofit is as important as knowing product demand for a for-profit company. "If mission accomplishment is as important as profit attainment, why do most nonprofits not spend equivalent time in mission creation and monitoring? In reality, nonprofits often completely mess this up. As important as missions are, nonprofits frequently go off in ineffective directions by relying on mission statements that can be little more than slogans" (Pandolfi, 2011).

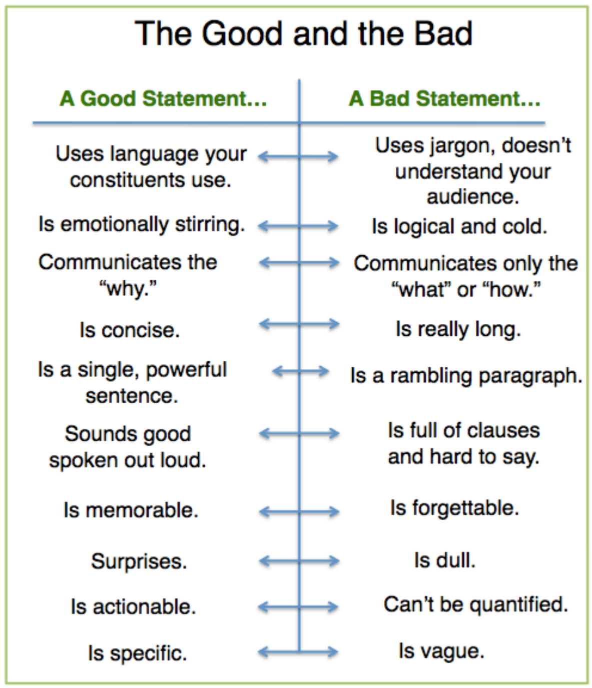
So, in the interest of launching strategic planning at the correct starting point, indulge me for a few minutes as I dig a little deeper into this first question: "What are you doing?" The starting point for strategic planning must be a consensus understanding of what the organization strives to accomplish by fulfilling its mission. Conversely, failure to seriously address the organization's mission not only can undermine the strategic planning process, but will likely contribute to ambiguity of purpose in the minds of significant stakeholders. Without careful analysis of the organization's mission, strategic planning itself will likely become an unprofitable academic exercise incapable of providing the focus and discipline needed to achieve the organization's preferred future.

To understand the significance of such an analysis, consider a few mission-related questions: Why was your organization founded? Who started it and why? Are you doing the same thing today that the founders did on day one? With whom do you carry out your mission? Do you serve the same population? What will this population look like in the future? Who supports your mission? How do they perceive your mission? What impact is your mission having? Can you demonstrate that you are fulfilling your mission? Can you measure the impact it has on the target population? What do you think your mission will look like in five or ten years? Is your mission sustainable? The mission statement of a nonprofit organization is the critical starting position from which to answer all those questions and upon which to build strategies to proactively prepare for the future.

What, then, is a mission statement and what are the attributes of an effective mission? Koenig (2013) suggests that every good mission statement has three pivotal elements:

1. Our cause: Who? What? Where?
2. Our actions: What we do.
3. Our impact: Changes for the better.

He goes on to graphically illustrate the attributes of good and bad mission statements.



(figure 1)

The most effective mission statements are written in a single sentence of 15 words or fewer and contain all three of those elements. Here are a few examples to make the point.

- Public Broadcasting System: To create content that educates, informs and inspires.
- Environmental Defense Fund: To preserve the natural systems on which all life depends.
- CARE: To serve individuals and families in the poorest communities in the world.
- And of course, TED: Spreading ideas.

More than just serving as an inspirational slogan that employees and donors can get behind, Pandolfi argues that "an effective mission statement must be a clear description of where an organization is headed in the future that distinctly sets it apart from other entities and makes a compelling case for the need it fills." In other words, there are critical business reasons tied to the organization's strategy. In the same way that a clear and effective strategy in the private sector attracts more customers which results in more profit, a nonprofit's clear and effective mission strategy facilitates attraction of funds and provides the ability to take smart action.

If you think mission statements are old fashioned, consider this. Recent research at Ohio University shows that Millennials especially are drawn to a strong mission. "Young employees want to believe their work is making a difference, whether they are in the for-profit or nonprofit sector. Good mission statements place the organization in the wider social context, and show how the work of the organization contributes to making society a better place" (Fritz, 2017).

An effective mission statement allows a nonprofit organization to operate with focus and discipline by providing consistency in decision-making. It also suggests the means for measuring success and creates a shared understanding among all stakeholders that transcends time and place. In other words, an effective mission statement is translatable into measurable actions that everyone in the organization can understand, support, monitor, and influence.

One might also ask the question: "What would the world look like if we actually fulfilled our mission?" Would hunger cease? Would discrimination be eradicated? Would every child succeed in school? Contemplating such "mission exits" should lead organizations to think deeply about how they measure their success. A good mission statement should suggest what that world would look like if completely fulfilled.

Finally, I believe that the process of creating a mission statement is of equal importance to the end result. In the nonprofit world, boards of directors are the caretakers of the mission. CEOs are hired to advance the mission and make sure it is carried out. Staff are directed to manage processes which support the mission. Donors provide financial support for the cause described by the mission. All these participants have a stake (hence, the term "stakeholder") in the success of the organization, either morally (boards, donors and volunteers) or practically (staff who are paid for their services). Engagement of all these stakeholder groups in the creation, review, and analysis of the mission statement is one of the most effective ways available to build support and loyalty.

As a consultant, ever eager to serve my nonprofit clients, I have found it occasionally challenging to insist that the process begin with a thorough discussion and review of the organization's mission statement. Invariably, however, when such a review is conducted, it inspires commitment and dedication to developing a robust and effective strategic plan.

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Question Two: How are you doing?

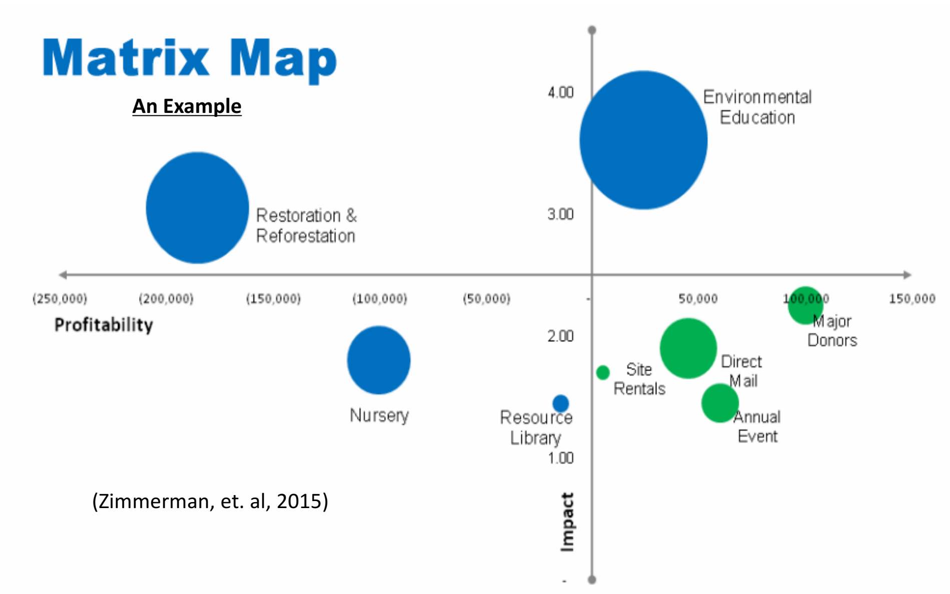
In my experience, too many strategic planning efforts jump straight into building a vision for the future without first carefully examining how well the current mission is being executed. To do so ignores present realities, both in the organization and in its environment, that may affect the organization's ability to move toward its preferred future. Mind you, there is nothing wrong with projecting (some might call it dreaming or fantasizing) into the future. But one must be something of a realist in terms of understanding the world as it exists in the present, as well as how the organization contributes to improving that world. Taking a long hard look at how well your organization is carrying out its mission is a prerequisite to being able to chart a realistic path into the future.

Traditional approaches to strategic planning dictated that organizations do a SWOT analysis. I have previously expressed my disdain for SWOT as a tool for strategically evaluating an organization's current status. I agree with Tom McLaughlin (2006, pp. 101-102) that weaknesses and threats are really management issues better addressed through risk management processes, while strengths and opportunities are strategic issues requiring board and stakeholder engagement. Furthermore, a SWOT analysis doesn't force reflection on the more important, foundational questions that are relevant for nonprofit, mission-driven organizations.

In the previous chapter ("What are you doing?) I talked about the importance of having a strong, clear mission statement. But measuring the impact of that mission isn't the same as asking whether the mission is being fulfilled. For example, if you were asked if your organization is fulfilling its mission, who wouldn't say "yes?" This is what I would call a "drive-by" question. Fulfilling the mission? Yep. Check the box. Done.

So, the question isn't "Are you fulfilling your mission?" The question is really, "What impact is your mission having on the people it is intended to serve?" Where in a SWOT analysis are you going to ponder that question? A second, related question might be, "How well are you executing your mission?" And a third related question is, "Can you sustain your mission?" There are a variety of ways to quantitatively answer those questions. In my work I have used tools such as those offered by Steve Zimmerman and Jeanne Bell (2015). I'm sure there are other ways to answer these questions. But you will note that these are the types of question that go well beyond the typical review of the mission statement and which cannot be answered by a SWOT analysis.

Zimmerman, et. al. provide a visual means to represent the perceived impact of your mission among the people you serve against the profitability of each missional and fund-development program. By mapping each program's net profit or loss against a measurement of mission impact, a bubble chart can be created. The size of each bubble is determined by the size of the expenditure budget. The relative position on the X-axis is determined by the amount of profit or loss (including actual, allocated, and shared costs) and the position on the Y-axis is determined by the overall score on the mission-impact survey. Following is an example which illustrates the value of this kind of analysis.



When the board asks the question, "How are we doing?" words are hardly needed. In fact, it is the follow up strategic questions that are of greater value. Should we be doing better? How do we move the bubbles to the right? Up? Which programs should we discontinue? The end result should be greater attention to quality and sustainability.

However, I want to be very clear that I am not equating this kind of business model assessment with looking at key performance indicators or other metrics of efficiency. I'll give you an example to make my point. Think about an automobile as a way to distinguish between impact and efficiency. Tracking RPMs on a tachometer, watching the fuel gauge, making sure the engine temperature is nominal, checking to see if the seat belts are fastened – these are all valuable metrics - to a point. But if the car is in neutral or is up on blocks, it isn't actually performing the function for which it was built and such performance data is useless. The question isn't how efficiently the car is running, but is it getting its passengers to their desired destination? If a car could have a mission statement it might be "To safely and comfortably transport passengers to their destination." Obviously, it is possible that the car could be running smoothly with all the gauges and dials indicating optimal performance while failing miserably to achieve its purpose.

Don't get me wrong. I am a strong advocate of data-driven decision-making, having business intelligence systems that promote proactive thinking and acting, creating and using KPIs and all kinds of metrics to support anticipatory leadership. But efficient operation is not necessarily an indication that the organization is changing lives in the way that is implied or stated in the organization's mission statement. Peter Drucker said, "Management is doing things right (efficiency); leadership is doing the right things (effectiveness)."

Getting closer to the heart of the question is the measurement of "quality." Most nonprofit organizations track data around how their constituency groups perceive the quality of their services. These may come in the form of customer satisfaction surveys, third party assessments (often required by granting agencies), parent and guardian surveys, community needs assessments, etc. Such tools may provide some meaningful insights into the impact the organization's programs are actually having on the people supported, but in my experience they more usually settle for measures of satisfaction and don't provide data related to the actual impact missional programs are having on people's lives.

Far from being a drive-by question, "How are you doing?" requires a deep analysis of the impact of the mission on the population and community being served. It requires deeper thinking around questions such as these posed by Zimmerman (pp. 50-51, 79):

- If this agency didn't exist, who would it matter to and why?
- What is the social issue or human need the organization is trying to address?
- What does success look like and how would you know?
- Who are the primary direct beneficiaries of the organization?
- What is the geographic region of your impact? What is the scope of service?
- Are the missional programs delivered in an exceptional manner?
- How profound is the change affected in people's lives by the mission?
- How many people are impacted by the mission?
- Does the organization build community around its mission?
- Does the organization leverage relationships around its mission?

So, how well are you doing? Ponder that question for a while before moving on. Taking the time to understand how much impact your organization is currently having is a necessary prerequisite to addressing the next question in my ten-part list: "What will your environment look like in the future?"

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Question Three: What will your environment look like in the future?

Now that you have affirmed, clarified or amended your mission statement, and have conducted an honest appraisal of the impact and sustainability of your current business model, it is time to begin looking into your future to see what the world will probably look like. This step is necessary before actually trying to project your position into that future simply because the environment in which you currently operate is bound to change and the future environment in which you hope to be effectively positioned may exhibit qualities for which you are inadequately equipped at present.

A common mistake I frequently observe is neglecting to do the hard research into future trends that is necessary to understand the world, how it is changing, and how it will likely affect the organization's ability to fulfill its mission. I have seen organizations immediately move from an internal assessment (How are we doing?) to a projection of the mission into a future based on a set of assumptions, usually around things like the rate of inflation, turnover, cost of administration, market demand, and a host of other environmental factors. Too often these assumptions are expressed in some kind of incremental fashion, such as "employee turnover will remain at 35% per year," or "the rate of inflation will hold steady at 3.5%." So, organizations cast their vision by articulating strategies based on the false assumption that the rate of change of environmental factors will remain constant. I remember suggesting in a strategic plan that I was facilitating about ten years ago that an average annual return on investment of 5% could be assumed through the duration of the plan. Then August of 2008 came along, the economy went into recession, the endowment lost 35% of its value, and my assumption went up in smoke.

Admittedly, predicting the future is very difficult and if I could tell you with certainty what the world will look like in five years, I wouldn't be writing about it. But there are macro trends that can be recognized with some good research. These trends must be thoughtfully considered before putting a stake in the ground to claim your preferred future.

Let me suggest a number of critical areas that should be investigated. Searching out the best available research in these areas isn't necessarily easy, but knowledge specialists within the organization as well individuals in the same service industry or academia should be conversant in the primary literature for trend data around relevant variables. Professional associations in human services are also repositories of data collected on behalf of member organizations (e.g., AARP, Leading Age, AAIDD, HHS, VA, etc.).

Technology

No area changes as rapidly as IT. New systems and applications are rolled out on a daily basis. New uses of technology to support people and deliver services are in abundance. Technology facilitated learning is changing the face of training and certification. Business data is becoming business intelligence as new technologies enable predictive forecasting and support proactive positioning based on statistical inference. Because of the rate of change, however, the challenge is to anticipate what technology in service to your mission will look like. This is so important because of the growing percentage of operating budgets comprised of IT hardware, software and support. Advances in technology also have the potential to affect other areas of operation such as employment, direct care, finance, competition, funding, and many others.

Population Changes and Demand for Services

Nonprofit organizations are by definition in the people business. Organizations which serve those in need must understand the populations they serve and how the target population might change. Moreover, changes in the attributes of those populations must be understood. For example, if you are in the senior services sector, it is one thing to understand population distribution in various age cohorts and an entirely different thing to understand how people think as they age with respect to the kinds of services they need or desire. You might ask, "How do the current models of independent living, assisted living, memory care, etc. align with growing preferences about aging in place?" In the world of intellectual and developmental disabilities (IDD), we know that prenatal screening for birth defects and genetic anomalies is contributing to higher rates of abortion. A pertinent question might be, "What is the rate of decline in the population of individuals with Down Syndrome or other disabilities who would benefit from our services?"

Studies of birth rates among ethnic and racial groups, reports on immigration and areas of settlement, descriptions of age cohorts in the future, longevity and life expectancy studies – all of these should be consulted to develop a best guess about the people your organization will serve in the future.

Competitive Market

Your organization is probably not the unique snowflake you think it is. I'm guessing there are other agencies in your area that offer the same or similar services. The reason your agency came into existence and is still operating is, to be sure, noble. But the fact is that nobody has exclusive dibs on people in need and there is going to be competition for the people you serve from some source. As long as there is a market that is growing or can be further penetrated, businesses are going to continue to expand. Your agency may be the equivalent of the local mom and pop grocery store. You may have a loyal customer base, but when Walmart decides to open a megastore on the outskirts of your town, you are going to be challenged to compete. Understanding the market and your competition is critical for survival and positioning. The mom and pop grocery store may survive, but only by differentiating itself in ways that are of value to its customers.

Knowing who your competitors are and the relative shares of the market you and they serve is incredibly important for another reason. It just may be that your competitors are your best opportunities for collaboration. I especially see this happening in health care, but it is also increasingly common in social services, foundations, and philanthropy. On a mega-scale, think about Bill and Melinda Gates' Giving Pledge in which the world's billionaires have been challenged to pledge their wealth to do good in the world. On a smaller scale, think about how several private school foundations can create pooled investment funds instead of competing for the same donors. Collaborations don't have to mean mergers or acquisitions. There are myriad ways of collaborating with competitors for mutual advantage. Knowing the competitive landscape in your future environment will help shape your thinking beyond the narrow confines of your current mission and open up a future of possibilities.

Government Policy and Regulation

Elections have consequences and the 2016 presidential election was a stark reminder of this fact. There is no debate about the exponential expansion of regulation that occurred under the previous administration. The new administration pledged to roll back many of those regulations and introduce reform in areas such as environmental protection, health care, taxes, immigration, entitlements, financial institutions, small business, and others. Whether this is good or bad is for others to judge and what this will mean for nonprofit charitable service organizations is anybody's guess. However, assuming the current leadership will be in office for the next four years, some predictions are possible. Reform of health care and the tax code seem inevitable. This actually may be good for smaller organizations that have been hit hard by rate increases in health care. On the other hand, possible changes in the administration and funding of Medicaid could be catastrophic to nonprofits that rely heavily on reimbursements for services. Closely monitoring government policies is of critical importance for organizations whose very existence depends upon the largesse of government. Once some sense of the likely future is obtained, it might also give rise to an apparent need for advocacy to help influence the future for the benefit of the people supported by your organization.

Revenues and Expenses

Most nonprofit organizations depend upon a mix of revenues to support their operations. In the world of senior services, public sources may include Medicare, Medicaid, Social Security, Supplemental Social Security, and state and local assistance. Personal sources may include pensions, retirement accounts and personal savings. Other human and educational services may have different mixes, depending on funding sources. Individuals with intellectual and developmental disabilities depend almost exclusively on Medicaid. Colleges and universities depend more heavily on donors. Hospitals and health care systems depend on grants and insurance carriers. Understanding the trends among all the various possible sources of revenue is critical in planning for a sustainable future.

Most nonprofits rely to a greater or lesser extent on donor support. Gift revenue can come from any number of sources including special fund-raising events, annual direct mail campaigns, major gift solicitation, planned giving, and legacy and estate gifts. Many organizations also seek corporate and foundation support. Larger organizations may derive operating revenue from the return on investment of endowment funds. A few even have their own foundations. Most nonprofits, however, are too small and thinly staffed to capitalize on the many ways to raise non-operating revenue.

Then there is the whole area of social enterprise. When the people you support can be organized to produce a service or product that contributes to their own support, mutual benefit can be derived. Nonprofit service organizations have long used vehicles like resale or thrift stores as a way to engage volunteers and people supported to generate revenue. Others have incorporated green strategies to reduce utility bills and waste. Others have applied micro-financing strategies to support client business start-ups. There are many examples to be found which may have potential for your organization.

It is tough to predict where the money is going to come from, especially when there is a dramatic change in the federal government. The future of Medicare and Medicaid is anybody's guess at the time of this writing. Trying to predict the likely payer mix for services may be an exercise in futility until some measure of clarity is achieved in Washington. Remaining oblivious or fatalistic, however, is not an option.

The expense side of the organization must also be examined, especially with respect to anticipated trends in how costs will likely change over time. Will technology be able to offset some of the administrative overhead expense or make service delivery more efficient and cost effective? Will changes in government regulation potentially raise or lower expenses? Will health care reform lower the cost of employee health insurance? Is it more or less likely that labor unions will attempt to organize your employees?

Last, as we painfully observed in 2008, a downturn in the overall economy can have a devastating effect on nonprofit revenues. Some suggest that funding of nonprofit social services is a leading indicator of market decline and a lagging indicator of market recovery. Cutting or delaying reimbursements for human services are among the first strategies states employ to balance budgets and restoring or raising rates usually comes later. I guess that makes some sense. What it also does is make predictions about the future of the economy very challenging, especially when big name economists can't seem to agree. All I can say is that leaders of nonprofit organizations better have trusted counsel when making assumptions about the future of the economy. My advice is to do your best to make assumptions about the future, but plan to be wrong.

Workforce Attributes

One of the biggest challenges facing most nonprofit organizations is hiring and retaining qualified and committed employees. Nonprofit wages are generally below those in the public sector. Entry level positions such as direct support, food service, housekeeping, transportation, and other unskilled jobs are plagued by high turnover rates due to low wages and/or the temporary nature of the job as employees finish school or pursue higher paying jobs. Even professional positions in nursing, management, executive leadership, or skilled administrative functions experience turnover due to wages and benefits.

Who will your employees be in five years? Where will they come from? What are their age, educational attainment, and aspiration attributes? How loyal are they to your organization? Do they work two or three jobs to make a living? What personal and family challenges do they face that can impact their reliability or longevity? What other qualities are they looking for in the work environment besides a salary and benefits? What are your attitudes about having employees work remotely? Are you open to flexible scheduling or is it even possible in your area of service? These and other questions should lead the organization to develop an employee profile for the future.

Location/Location/Location

Where you provide services is the final critical planning element that warrants consideration for the future. If your organization is the only one of its type in a small town in northern South Dakota with the closest town of any size more than 50 miles away, this may not seem like much of an issue. At least it is quite different than if you are located in a suburb of the Chicago metropolitan statistical area containing ten million people. Regardless of your location, however, there are some important questions to ask yourself as you contemplate where you will provide services in the future?

If your services are facility-based, are there opportunities to grow by building or purchasing remote campuses? Can you "franchise" your service delivery model to others by creating a collaborative service agreement whereby you provide the service if they provide the capital?

If your services are community-based and are not as dependent on buildings, are there population areas that need your kind of service? For example, if you serve chemically dependent children and their families through in-home services, your geographic footprint is probably determined more by how well you can manage your staff and the time it takes to drive to homes. This is also true of agencies that provide community-based residential services to people with IDD.

Finally, the geographical service area may be affected by collaborative efforts such as a merger or acquisition. My own work in developmental disabilities began when I helped facilitate the affiliation and eventual merger of two large service providers, one in the Midwest and the other on the west coast. The resulting organization doubled the number of people supported and turned a regional provider into a national organization. On a smaller scale, geographic expansion may come about through competitive bidding for services, such as going after contracts to provide early childhood education. It may also come about through strategic acquisition, such as purchasing smaller for-profit agencies that help expand the niche of services. Whatever the circumstance, thinking deeply about location, facilities, geographic needs, potential reach, and acquisition opportunities will help eventually answer the question: "Where will we serve?"

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You have been staring out your office window, gazing at the horizon, wondering about what tomorrow will bring, perhaps noodling about what challenges and opportunities await. You can't help but worry about how your organization will respond and how well it will fit into that unknown future. I hope the foregoing has given you some food for thought as you contemplate your future. While we can't know with certainty what will happen, we can be observers and learners who are attuned to changes in the world around us. We can make reasonable guesses as to what the future will look like. And careful study of the trends in the areas I have described is an essential step in strategically thinking and acting to achieve your preferred future.

Question Four: What does your environment look like today?

If you have taken the time to stare into the future, and you and your staff have a pretty good idea of the major trends that will shape the environment into which you wish to lead your organization, you are now ready to turn your attention to your current environment and to analyze your organization as it operates today. I suggest that the way to do this is by considering the same planning elements you used to predict the future, only now you will evaluate your current status in each of those areas.

As I have asserted previously, this does not mean doing a SWOT analysis. I strongly believe that examining your current strengths and opportunities are of strategic importance, while documenting weaknesses and threats invites engagement by your board into management activities – something you always want to avoid. Weaknesses and threats are better handled through a risk assessment and management process – not through strategic planning. Besides, when it comes to building your preferred future, as Tom McLaughlin asks, "Would you rather build it on strengths or weaknesses? We thought so!" (p. 211).

This question is different than the one you answered earlier about how you are doing? The answer to that question was really intended to measure the sustainability of your mission, the quality with which you execute your mission, and the impact you are having on the people you support. It is also a different question from one which examines the organization's capacity to move forward. That question, though related, looks at the infrastructure, systems, policies, practices, leaders, and the human and technological capital that support the operations and make growth and improvement possible.

This question is intended to identify those areas of organizational strength as related to essential planning elements and to call out gaps where the current status is not in alignment with the demands of the perceived future. If this is a bit confusing, allow me to describe a number of planning elements and demonstrate how future needs can be aligned with current realities. Let's take the same seven planning elements I described in my previous chapter. You can select your own if you wish. These are mine and are not held up as being exclusive. However, I have found that they do broadly cover the most important dimensions of strategic planning and thinking. As you think about each of the areas and how your organization is currently positioned, ponder the answers you provide to the questions I have posed.

> <u>Technology/IT</u>
> How satisfied are you with the current IT and applied technology infrastructure in your organization? Do you have a current IT plan and are you executing that plan? How is technology used to support each of your missional programs? Are some programs greater beneficiaries of technology assets? Are there significant differences among staff in your various service areas with respect to use? Do you have any "power users?" What are the strengths you have in IT that can position you to move forward? Is your current IT budget sufficient to meet organizational needs and keep pace with innovation?
>
> <u>Population/Demand</u>
> What are the demographic attributes of the people you currently serve? What is your current market niche in that population? Can you leverage your current position in the population to increase or expand the demand for your services? Are you adaptable in your current service lines to address the needs of new or different markets in the current environment? Is your

organization the "gold standard" for the type of service you provide in your area? How do you compare?

Competitive Market
With whom do you currently compete? Are they better, stronger, bigger than you? Do they take potential revenue away from you? With whom do you collaborate or operate joint programs? Are there smaller, weaker, vulnerable organizations in your area that might be targets for collaboration or acquisition? What is your current market share and is expansion in that niche possible? Do you have competitors with whom you could share back office operations to reduce expense without affecting mission?

Regulatory Environment
How does government regulation affect your bottom line? Quality of services? Public perception? Are government agencies helpful to your work or do they present burdensome obstacles to efficient and effective operation? Do you have easy access to relevant government leaders and decision-makers? Do you participate in industry-wide advocacy efforts to advance awareness and support for your services and the people you serve? Do you have sufficient leverage with legislators to advance your cause?

Revenues and Expenses
Where does the money come from to fund your operations? How strong is your advocacy position with government agencies to sustain financial support for your programs? What does your donor base look like and can its profile support sustainable growth? What percentage of operating expense goes to administrative functions? If you had to cut 15% from your budget today, could you do so without diminishing the quality of your services? Do you have endowed funds or a "rainy-day" fund to cover unanticipated exigencies? Are programs funded by grants and if so, what is your success rate in winning such grants?

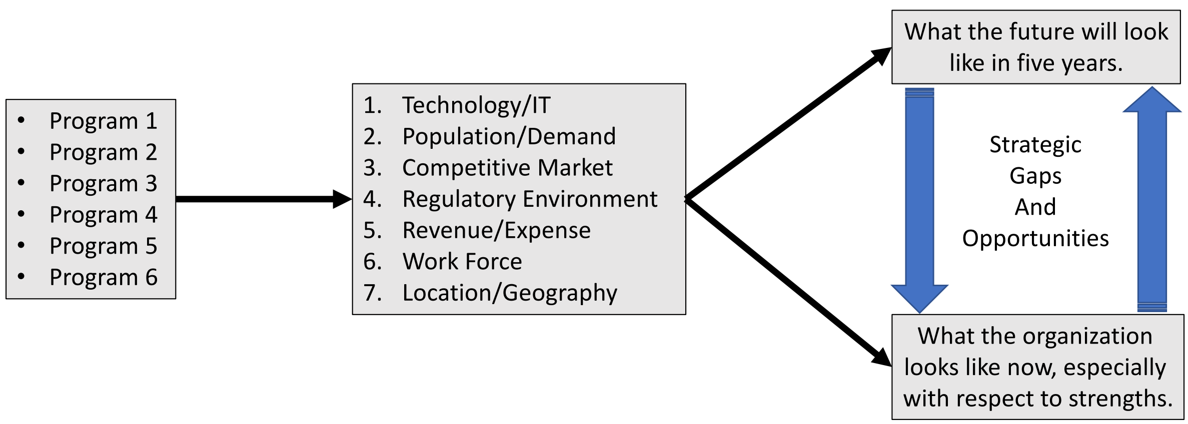
Work Force
How are your current employees positioned in order to maximize loyalty, professional growth, retention, promotion, and commitment to the mission? What is your current turnover rate for all categories of employee? What are the skills required of current employees and how are those skills acquired, developed, improved? How are employees rewarded for excellent performance? How is employee performance evaluated? How are employees recruited, oriented, on-boarded, trained, and retained?

Location/Geography
Where do you currently provide services and what constraints currently exist which limit your geographic reach? If you operate at multiple sites, how do you ensure coordination among units and their staffs? What systems currently exist which promote smooth operation? Are there current opportunities to "franchise" your services into other geographic areas? Are there organizations with which you can collaborate to intentionally expand your service area?

These are only a few of the many questions that can be asked to eventually paint a fairly accurate picture of your organization's current internal and external environment. Once answers are provided in those seven categories, they can be lined up with the work you did to predict what the environment would look like in five years. Comparing the current status of your organization with the projected environment it will face in the future will allow you to identify positions of strength upon which to build and also gaps which should be filled. Such gaps are not weaknesses *per se,* but are areas of opportunity which can be built up to better position the organization to move into its preferred future.

Below is a simple diagram which describes the process I have laid out. Subjecting each of your major service lines to this scrutiny should enable you to obtain a clear picture of the relationship between observable future trends and your current organizational reality. Bringing these into alignment is the purpose of this exercise and provides the foundation for realistically describing your organization's position in the future with respect to each of those planning areas.

Evaluate each service area...........through the lenses of....................................to determine........



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If all of this is beginning to make some sense to you and if the approach I'm describing through these questions resonates with your own ideas of how to engage in effective and useful strategic planning, I hope you will take what is useful and apply it to your own situation. Mapping the attributes of future against your current organizational strengths will position you to answer the next question with a greater measure of confidence and accuracy.

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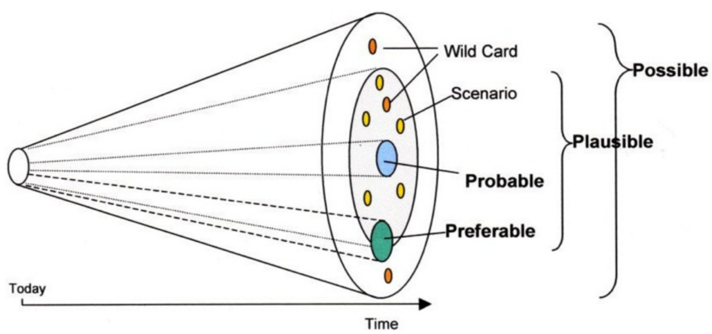
Question Five: What is your preferred future?

If you think you have a pretty good handle on what the future environment will look like, or at least you are knowledgeable about the trends that will affect your organization going forward, and you have a solid and honest assessment of how well you are operating in your current environment, then you are ready to define your future. Before suggesting how you can frame that future in words, however, I want to pause and reflect a bit on the expression I use a lot in my practice, and frankly, what I believe is the only appropriate outcome of strategic planning: a description of your "preferred future."

The truth is, there are many futures one can choose from. There is a large set of possible futures, limited only by your vision and capacity to achieve them. If you analyze the world you operate in and are attuned to changes that are happening and are likely to happen in the future, you might come up with a few plausible futures that are within the realm of possibility given your organization's recognized strengths and constraints. There is also a probable future if you continue to operate with minimal changes in mission or program. Understanding what that probable future looks like can serve as a baseline from which to measure risk or change. Choosing from among the large set of possible futures, however, leaders who are determined to position their organizations for maximum impact and sustainability in the future must describe the preferred future they can commit to striving for. The illustration below describes how these possible futures are related. I'd like to share a few observations on each of these so you can gain a better sense of what I am encouraging you to do. There is also an inherent flaw in the model itself which I will expose and discuss at the conclusion of the chapter.



Possible Future

So, what's possible? Just about anything, I suppose. For example, if you receive an unexpected ten million dollar legacy gift, or Democrats come into power again and triple federal spending on Medicaid, you can dream pretty big dreams. It's possible that advances in technology will eliminate the need for direct care staff, that all your surrounding competition will turn their assets over to you, and that the state in which you operate will ask you to take over all state-run agencies of your type. Possible, but not likely. The key consideration is what is in your control to change. You can't predict when people will die and leave you millions and the political future is less predictable than the weather. And far-fetched fantasies, while tantalizing, need to fly on their own and not crash into the corn field of reality.

As you attempt to describe various possible futures from a 30,000 foot view of what the organization could look like, you will come to realize that as one gets closer to the ground with all its detail and variation, many, if not most of those possible futures, are not realistic.

Plausible Future
OK. So Uncle Fred isn't going to leave your organization the farm, the Republicans will control the federal government for the next eight years, you'll still need a significant entry-level workforce, and the competition will still wrestle with you for market share. Given the internal and external conditions in which you operate, what reasonable predictions can be made about the future and how will your organization fit into it? From the days when I taught logic, I emphasized the importance of an informal argument having both coherence and correspondence. Achieving plausibility is similar. A plausible future is one which must be internally coherent and consistent with current and projected realities and must correspond with how the majority of others in your industry view the future. In other words, a plausible vision of the future has to make sense, given everything else which is known.

Probable Future
Probability is a mathematical concept which determines the likelihood of an occurrence. If you flip a coin into the air, the odds of it turning up heads is one out of two possibilities. To be sure, it is possible that you could throw five heads in a row, but we know that the more instances of flipping a coin there are, the closer to that 50% mark we come. In the world of organizational planning, we can also surmise the future based on daily, weekly, monthly and annual instances from the past, usually described quantitatively in terms of key performance indicators, benchmarks, financial performance, quality measures and whatever other ways exist to track your organization's behavior over time. Visually, one can draw such performance in the form of a graph which indicates behavior and change over time. Extrapolating those graphs into the future, including rate of change, arc and trajectory, one can ascertain a probable state of existence at a future point in time. This, of course, assumes that existing internal and external conditions remain pretty much the same – a very dangerous assumption as I will discuss below.

So, thinking about your organization as it is today and factoring in what you know about the environment and how it is changing, you can project a vision of the future derived from where all those performance lines will lead, assuming you continue to do what you have always done with the same people in the same manner in the same location using the same methods. Well, who wants to do that? If your strategic plan is to do the same old same old, then I'd suggest that you don't even bother with the effort. Just draw the lines five years into the future and be done with it.

But of course, that isn't why your board pays you the big bucks, is it? While it may be a useful exercise to contemplate what your organization would look like if you did nothing different, or to calculate what it would take to "bend the curve" of your performance measures, merely creating a future based on current trend lines is an abrogation of your responsibility to lead.

Wild Cards
Of course, the future is not perfectly predictable. If it was, I would not be writing this; I'd be enjoying the beaches of Maui, living on my shrewd investments in the stock market. In my own professional life, I was the architect of a brilliantly conceived strategic plan for my organization that rigorously analyzed everything I've talked about here. This beautifully constructed vision for the future of my agency was enthusiastically adopted by my board in February of 2008. The following

September it went into the ash heap of history as a useless stack of paper. The wild card we were dealt was called a financial recession and it dramatically reshaped our future as we worked to survive. While unpredictable, possible wild card events should be considered and risk mitigation strategies developed. The chart indicates their possibility, not their probability. Acknowledge them, but work to avoid them.

Preferred Future

And so we come to the decision point. Given everything you know about what is possible, plausible and probable, what do you prefer to have your future look like? This is a complex question, but one which can be answered in its constituent parts. If you return to the seven planning variables I described in my two previous chapters, it is possible to describe a preferred position in each of those areas. Collectively, they comprise the organization's vision for the future.

Your preferred future should be written in the form of high level general statements of position. I prefer this terminology to "goals" or "objectives" or "strategies" or "initiatives," which have their own technical meanings and imply associated measurable targets and timelines. These types of statement will follow later as the leadership team develops annual action plans. For purposes of the strategic plan, however, boards should only focus on the high level strategic positions and not be allowed to get into the weeds around tactical issues.

Allow me to give a few examples of what such high-level position statements might look like for each respective planning element.

> Technology – In five years, the organization will be regionally recognized as the frontline innovator in the use of adaptive and educational technology to support people with intellectual and developmental disabilities.
>
> Population/Demand – The organization will provide a comprehensive continuum of care to seniors beginning with early retirement and continuing to end of life with a dominant desire to meet their needs at every phase of life in their own homes.
>
> Competitive Market – The organization will be the exemplar of excellence in its region and will strive to expand its mission of quality through affiliation, collaboration or merger with identified competitors in the region.
>
> Regulatory Environment – The organization will aggressively advocate at every level of government to ensure the highest level of funding, client civil rights, and legal protection for the people it supports.
>
> Financial Position – The organization will ensure its long-term sustainability by building an endowment through aggressive fund raising from individual, corporate and foundation donors which will be of sufficient size to offset at least 50% of all corporate overhead expense from its earnings.
>
> Work Force – The organization will be recognized in its region as the employer of choice, characterized by high employee satisfaction, lower than average turnover, and opportunities for all employees to grow and advance personally and professionally.

Location – The organization will expand its geographic service area from broadly regional to selectively national in scope, targeting those states and population centers which demonstrate sufficient unmet need for services, a favorable regulatory and funding environment, and adequate denominational representation to provide spiritual support.

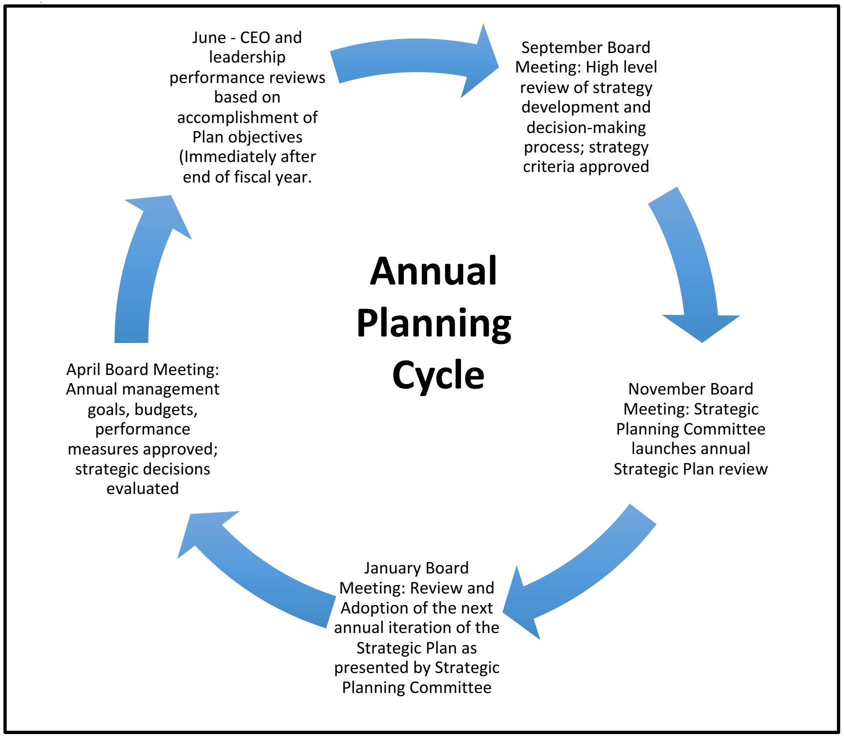
If thoughtfully constructed and clearly reflective of solid research in each area, I think you can see how powerful such statements are for boards and leadership teams as they exercise their strategic responsibilities. Any one of these statements could yield hours of generative discussion in a board meeting. Such position statements, taken together, should paint a clear picture of what the chosen future will look like.

These statements should also be descriptive enough to then be broken down into annual goals and tactical objectives, complete with measurable indicators of progress. As stated before, however, tactical statements should NOT be under the purview of boards or board committees. They can be reviewed as annual initiatives or goals, but a board's responsibility is to approve the long-range strategic direction of the organization and not to tell management how to execute the plan.

To return to the earlier concern about unanticipated "wild card" events that have the potential to dramatically alter the future, I will write a more detailed suggested approach under Question Eight. However, it is important to state that once a long-range strategic plan is adopted, it should NEVER be allowed to languish on the CEOs bookshelf. It MUST become a living document, subject to review and revision whenever changes in the internal and external environments warrant. While I'll expand on this more later, let me suggest some simple ways to immediately create a culture around the strategic plan.

Probably the biggest step toward ongoing review and accountability is to make the strategic plan THE agenda for board meetings. Devote most of board meeting time to discussing progress toward achieving those position statements. Report on key performance indicators which show progress toward the end goals. Use the position statements for generative discussions, bringing in key staff to provide background information and to report on initiatives aimed at advancing the organization toward the preferred position. You might think about publishing management briefs between board meetings so the board meeting doesn't digress into listening to reports. You can actually dump most board decisions or approvals into a consent agenda that would require no discussion unless someone moved to take an item off the consent agenda and put it on the table. In other words, embed the strategic plan into governance practice.

The second biggest step toward ongoing review and accountability is to make the review and updating of the strategic plan an annual event, scheduled for a vote by the board at the same time every year. In other words, I recommend having a rolling one-year strategic plan with a three to five-year horizon. Each year, the plan is updated and another year is added to the horizon. If this is done thoroughly each year, it is conceivable that a comprehensive six to twelve-month strategic planning process would never be needed again. The following chart illustrates an example of an annual planning cycle based on four quarterly board meetings. The result is a coherent, amendable, five-year rolling plan which is reviewed annually with a new five-year horizon being pushed out each year.



Finally, to deal with those unanticipated wild card events, tools need to be developed which allow the organization's board and management to make crisis decisions in a manner which stays true to the theme and direction of the organization's strategic plan. One of the most effective ways to deal with such unexpected challenges or opportunities is to develop a set of screening criteria which reflect the philosophical and positional commitments of the organization in its strategic plan.

One of the best approaches I have found to such strategy development around emerging issues was created by David LaPiana. I will share his approach and demonstrate how the overall strategic planning process I am advocating here provides the framework for using such a disciplined approach under Question Eight and I'll provide some examples of screening criteria that can be used to make strategic decisions around unanticipated events or conditions.

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Question Six: Can you get there?

This question addresses an often-neglected aspect of thorough strategic planning. Having described your preferred future, it would seem to make a lot of sense to determine if your organization has the capacity to actually achieve that future. In other words, does your organization have the necessary resources, processes, policies, and infrastructure to effectuate the plan and arrive at the desired position? And along the way, can your organization adapt and respond to emerging challenges and opportunities, both of which also require organizational capacity?

A capacity assessment is different than a traditional SWOT analysis, although a SWOT analysis could conceivably be used here with some effectiveness. In most traditional strategic planning processes, SWOT analysis is conducted at the outset, with the unfortunate result that the desired future position is shaped by an understanding of weaknesses and threats, instead of a thoughtful regard for opportunities in an anticipated future. Furthermore, because every organization has capacity in varying degrees in different areas, pigeon-holing elements of capacity into strengths, weaknesses, opportunities, or threats creates false dichotomies and renders absolute judgments without recognizing gradations in strengths or weaknesses.

Regardless of the method employed (and I will share a number of such methods below), it is important that every aspect of the organization be considered. Allison (pp. 158-163) lists "eight areas of operations [that] are most relevant for strategic planning: (1) human resources, (2) organizational structure and culture, (3) financial management, (4) resource and business development, (5) external communications, (6) information technology, (7) facilities and equipment, and (8) planning and evaluation."

Thigpen (2007), in her work at the Center for Nonprofit Leadership at Adelphi University, expanded the list and created questionnaires for each of the following: mission, board governance, planning, resource development, external relations, administration and management, executive leadership, finance, human resources, program planning and evaluation, and space, facilities and technology. Individual questionnaires were created for each area along with suggested interviewees to ensure valid and knowledgeable input.

Using most of these same categories, the Marguerite Casey Foundation developed an assessment tool that groups 59 questions into four broad categories of capacity: leadership capacity, adaptive capacity, management capacity, and operational capacity. Their questionnaire requires participants to select one of four narrative descriptors for each item, thereby ranking capacity in levels 1, 2, 3 or 4.

Levinger and Bloom developed an easy-to-use tool called the Simple Capacity Assessment Tool (SCAT) which engages staff and other stakeholders in rating criteria as "nascent," "emerging," "expanding," or "mature." Their seven areas of assessment are: governance, management practices, human resources, financial resources, service delivery, external relations, and partnering. One interesting aspect of this tool is that stakeholders are involved in developing additional criteria under each subcategory, thereby customizing the tool to consider the unique aspects of the organization.

One of the most widely used on-line assessment tools comes from the McKinsey Foundation. The Organizational Capacity Assessment Tool (OCAT) evaluates nine areas using 123 questions. Similar in construction to the Marguerite Casey Foundation questionnaire, four descriptors are provided for each item. The ten areas of analysis in the OCAT are:

1. Aspirations
2. Strategy
3. Leadership, staff and volunteers
4. Funding
5. Values
6. Learning and innovation
7. Marketing and communication
8. Managing processes
9. Organization, infrastructure and technology
10. Advocacy (optional)

Several advantages present themselves by using the OCAT. Responses are tabulated automatically and the results are published in the form of a comprehensive report. Not only is capacity measured in a rating scale, but an indication of consensus is provided to indicate the extent to which participants were close or disparate in their responses. Those areas which were high or low in capacity are also color coded. The report provides recommendations for "low hanging fruit" and areas of strength upon which to build. Agendas and templates for planning committee meetings are provided. Graphic images depicting the status of the organization in the various areas are helpful for achieving shared understanding of the overall capacity. Finally, the option for a tenth criterion, advocacy, is provided, but is for use only by those nonprofits that have a budget and staff devoted to that function.

Numerous state nonprofit associations have developed capacity assessment tools for member organizations. I noted interesting approaches from New Hampshire, Oregon and Michigan, but for purposes of this publication did not take the time to examine all fifty states. Some of these tools are free and accessible on-line. Others are available to members only. It would certainly be worthwhile to investigate which resources are available in your state.

Regardless of how the capacity assessment is conducted, the results need to be carefully reviewed with an eye toward answering the critical question, "Can we get there?" Your dreams for a preferred future will turn into disillusionment and disappointment if you don't attend to your organization's capacity. My preferred future of being able to dunk a basketball, for example, has to take into consideration my 68 year-old knees. My brain may say "jump" but my body is just not going to do what I wish it could. If you lack the capacity to execute the tactical action plans needed to realize the future position you aspire to, attention must be given to building up those areas before you can reasonably hope to move forward. Conducting a thorough capacity assessment is an important step to being able to realize that future. The results of such an assessment may even cause you to rethink some of the positions you aspire to, recognizing the difference between the possible and the plausible.

References

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_____ Organizational Capacity Assessment Tool. Developed by the Marguerite Casey Foundation for use by nonprofit organizations, is found at: http://caseygrants.org/resources/org-capacity-assessment/.

_____ Organizational Capacity Assessment Tool (OCAT). Developed by the McKinsey Foundation for use as an online tool, complete with analysis and reporting, found at: http://mckinseyonsociety.com/ocat/.

_____ Self-Assessment Tool for Nonprofit Organizations. Developed by the Oregon Association of Nonprofit Organizations. The tool and its assessment grid are found at: https://nonprofitoregon.org/sites/default/files/uploads/file/NP%20Org%20Self%20Assessment_0.pdf

Thigpen, A. Organizational Assessment. (2007) Developed for the Center for Nonprofit Leadership at Adelphi University, School of Social Work. The tool is available at: http://nonprofit.adelphi.edu/resources/organizational-assessment/

Question Seven: How will you know if you get there?

You have described your preferred future and you have broken down your dream into high level strategic goals or position statements. You have determined that you have the capacity to achieve your goals and you are ready to develop tactical objectives to move your organization into action. But how will you know if you actually get to your preferred future position?

Let's say, for example, that you have decided that within five years you will become the "employer of choice" for your industry in your area. You have further defined what that means by stating that you will have the lowest employee turnover rate, the highest employee satisfaction scores, and the best wage and benefit packages among all your competitors. Before you start drafting tactical plans to accomplish these goals, it is necessary to quantify performance so you can set concrete targets and also monitor progress. In this obvious example, two things are required. First, you need to identify metrics that are commonly used in your field so you can compare yourself with others. Second, you have to set target goals and develop monitoring and reporting systems to track your performance over time and your progress toward actually achieving those goals. Every time you develop a new tactic or strategy to "bend the curve" or "move the needle" so to speak, you should be able to measure its impact on attaining the goal in question.

Take another example from higher education. You have decided that you are going to be the highest rated regional private college in your geographic area. To determine what that would look like, you have decided to use the U.S. News and World Report rankings of colleges and universities. These rankings are determined from more than a dozen different indicators including things like entering Freshman ACT scores, alumni giving, number of students graduating in four years, student/faculty ratios, and numerous others. You can craft a strategic goal statement with associated metrics which establish concrete targets for any or all of those indicators. Initiatives or tactical plans can be measured for their effectiveness by monitoring the impact such actions have on the performance indicator. If you are successful at improving these metrics through careful planning and execution of strategies, there should be no reason why your institution can't rise to the top of the charts.

Now, I should pause here to say that what I am suggesting is considerably different than routine measurement of efficiency. You should see, for example, that measures of efficiency (e.g., student/faculty ratios) might run counter to a strategic goal. It may be cost effective to increase student/faculty ratios, but improved quality and higher learning outcomes might be enhanced by lowering the ratio. While there are certainly other factors that contribute to learning, it has been generally accepted that smaller student/faculty ratios improve learning, hence, U.S. News and World Report's years-long use of this metric. This distinction is very important as boards may question certain resource allocations, especially when they are aimed at improving quality indicators that may be difficult to measure. Therefore, setting metric goals requires the attachment of a value judgment which justifies the importance of attaining the goal.

While setting quantified target goals is important, let me also emphasize how essential it is to have systems in place to monitor on-going progress. Such systems are different than the routine monitoring of key performance indicators such as net budget variance and other descriptive statistics such as the number of people served, number of employees, etc. Business intelligence requires another level of observation and analysis. It requires tracking performance over time along with the capacity to project possible statistical scenarios into the future. This sounds complicated, but it is really quite simple. Take one of the statistics I mentioned above such as the rate of employee turnover. Looking back over 20 or 30 quarters to get a clear picture of past performance will give you an idea of the ups and downs of the rate over time. Identifying events or environmental conditions such as the recession beginning in the third quarter of 2008 will help you to flag events which directly influenced your organization's performance. Your environment scan in which you did your best to identify trends for the future, as well as your current status, should give you a sense of the kinds of events that might affect your ability to achieve your goals. Furthermore, the thorough capacity assessment you conducted will give you a good sense of the extent to which you are able to "bend the curve."

So, considering where you would like the organization to be in three to five years, it is possible to map several possible scenarios that meet or exceed that goal. As data gets updated each quarter, it is possible to refine the path to success by evaluating those actions, conditions, or strategies that have an impact on performance, and to enhance, alter, or cease those actions as needed.

It is also possible to contemplate conditions or possible events that might lead you to fall short of your goal. While not a desired scenario, recognizing the factors that might bring it about is helpful in developing strategies to avoid failure. Such possibilities should be part of an overall risk management system and is a subject for another monograph. Predicting performance based on past performance, understanding current realities and future trends, and tracking real-time data to identify trends allows you to be nimble and responsive to changes in your environment.

Question Eight: How will you deal with the unexpected?

Robert Burns, in his poem *To a Mouse,* said, "The best laid schemes o' mice an' men / Gang aft a-gley." Most often this is translated as "The best laid plans of mice and men often go awry." How often hasn't this been true of long-range strategic plans? After all, who can honestly guarantee what is going to happen over the next few years?

Does the possibility of unexpected challenges and opportunities mean that strategic planning is a waste of time? Would it make more sense to focus on responsive strategies to emerging issues instead and on how to execute them for maximum benefit? The case for such thinking has been argued and was the subject of an article I wrote in 2016: *Strategic Plan or Strategy Execution*?. In fact, it is a debate which continues – unnecessarily, in my mind.

Without rehashing the points I tried to make in that article, let me tell you two stories, both dealing with the same organization at different points in time. I happened to be involved with the organization as the chairman of the board during the first event, and as its president and CEO during the second event.

In the early 2000's our board decided to engage outside counsel to guide us through a strategic planning process. The organization had not undertaken such an effort previously, and it followed a fairly traditional process involving staff research into strengths, weaknesses, opportunities and threats. It conducted focus groups around the Midwest to ascertain perceptions of mission and quality. It looked at data trends, revenue sources, and it came up with the usual assumptions about the economy, market share, employees and other variables. In short, it essentially crafted a strategic plan which projected the organization's current status into a fairly stable future. It all looked good on paper.

But a phone call in the summer of 2004 changed everything. A similar agency on the west coast was in trouble and asked for some assistance. Its CEO had left under a cloud. Development revenue was way down. Debt load was too high. Its religious-life programming was neglected and understaffed. From 2004 to 2006, negotiations took place which eventually culminated in an affiliation that would ultimately result in a merger. The transfer of assets and membership took place in the summer of 2006 and overnight, the organization whose board I chaired doubled in size. Did we anticipate that opportunity when we did our strategic planning? No. And that is not surprising. Predicting such events is very difficult. But that unexpected opportunity still marked the single biggest milestone in the organization's 105-year history, the impact of which is still being felt a decade later.

Most important for this discussion is the fact that we did not have a process in place for evaluating the opportunity from the perspective of the long-range vision and goals of the organization. We did not, for example, weigh the costs of such an acquisition against the other strategic priorities we had set. We did not evaluate the labor issues or the impact of the merger on non-operating revenue. While it was argued at the time that the decision to merge was an ethical one (i.e., we just wouldn't consider allowing the other company to go under), tools for evaluating the ultimate impact were not utilized. I'm not sure the outcome would have been different, but we certainly would have been better prepared for the longer-term challenges the merger brought about.

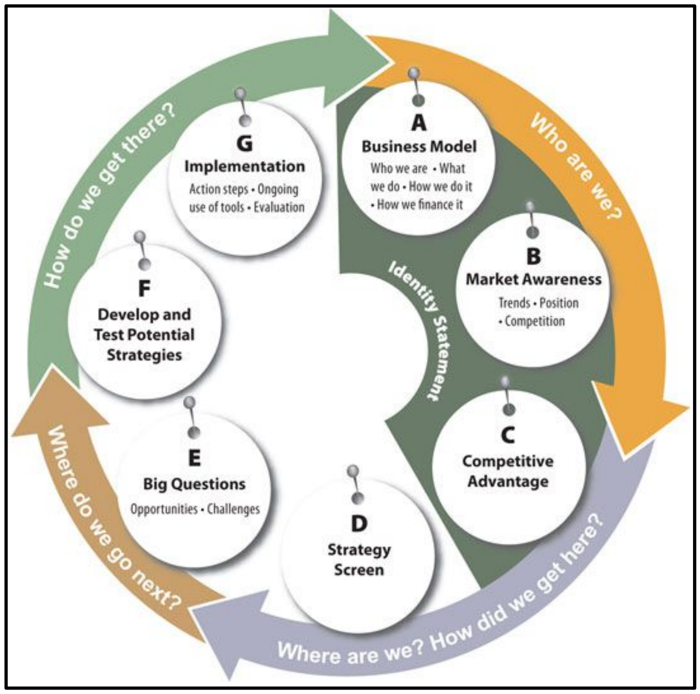
The second event occurred in 2008 and I have written about it before. Once the above-mentioned merger was imminent, I was asked to come to work at my agency as the merger integration project manager. In other words, I was to bring the two companies together into a cohesive whole. In the process, I was to facilitate a new strategic planning process which would lay out the preferred future for this new merged organization. Ten years ago I was already utilizing the approach I have been advocating in steps one through five of this planning process. In my opinion, we did everything right as far as articulating a coherent future for our organization. The board of directors ratified the new strategic plan at its February 2008 board meeting - the same meeting at which I was named to be the next CEO. The strategic plan was a work of art, a thing of beauty – at least as far as strategic plans went (and of course, in my humble opinion!).

And then August came and the financial markets started to tank. Within four months we had lost 35% of the value of our endowment. States were already beginning to either hold or reduce Medicaid reimbursements. Our country was in a full-blown recession. And my beautiful strategic plan went up in smoke. All its assumptions were voided. All the goals and objectives around growth crashed into a heap. We were in survival mode and the new reality we had to face had very little to do with that preferred future we had so eloquently described in our strategic plan. The next six months were spent identifying and implementing survival strategies. Efforts to restructure and right-size management were implemented and we ceased operations in areas where funding could not meet expenses. We put on hold plans to develop our campus and to expand various programs. In short, we abandoned our lofty aspirations and hunkered down to weather the financial storm.

I tell these two stories to reinforce the truism that unexpected things can happen that are beyond your control. A strategic plan, by its very nature, is a tool to control people, places and things in order to achieve a desired state of existence at some point in the future. Not everything can be controlled. Therefore, it seems prudent to consider ways to mitigate the risk to the organization without abandoning the overall strategic vision described in a strategic plan. In other words, how can decisions be made to deal with catastrophe on the one hand or windfall opportunity on the other without rejecting the broad vision described in your preferred future?

There are two ways to approach this question. The first is to have in place a rigorous process for managing and mitigating risk. As I said previously, that is the subject for another monograph. Suffice it to say that identifying all possible sources of risk and developing management plans and accountability structures to deal with possible risk events is an important preventative strategy that can at least reduce the possible negative impact of such occurrences.

The second is to develop decision-making criteria for addressing such unexpected events WITHIN THE CONTEXT OF THE STRATEGIC PLAN! If you have followed the first seven steps, you will have a detailed picture of your preferred future. The plan is high-level. It is visionary. It also has measurable goals and it is annually reviewable. It also is the vehicle through which annual initiatives can be developed. But most important, it articulates a set of beliefs and values about the future which can be translated into decision-making criteria. Such a process has been developed by David LaPiana and was described in greater detail in the afore-mentioned article. While his model can actually be used to craft a long-range strategic plan, such a result would be a by-product of on-going strategic thinking. The opposite is also true. In my practice, I have used the strategic planning process to create the framework for emergent strategy development. Steps A, B and C in his process roughly correspond to the first seven questions in my approach. His model is illustrated below.



Developing four or five such criteria or strategy screens (D) affords the organization a rational basis for evaluating events (E) and making judgments about possible responses (F) that are in alignment with overarching strategic goals. Tactical plans and performance metrics are used to measure the impact of the strategy (G). In fact, if you have been thorough and thoughtful in describing your preferred future in four or five position statements, you most likely already have the screening criteria you need to address unanticipated events or opportunities. After all, why would you adopt decision-making criteria that are not in alignment with your overall strategic plan?

Let me illustrate with an example. Let's say that the organization decides that the following criteria are of greatest importance when it comes to building responsive strategies and that these are entirely consistent with the strategic positions you aspire to in your preferred future:

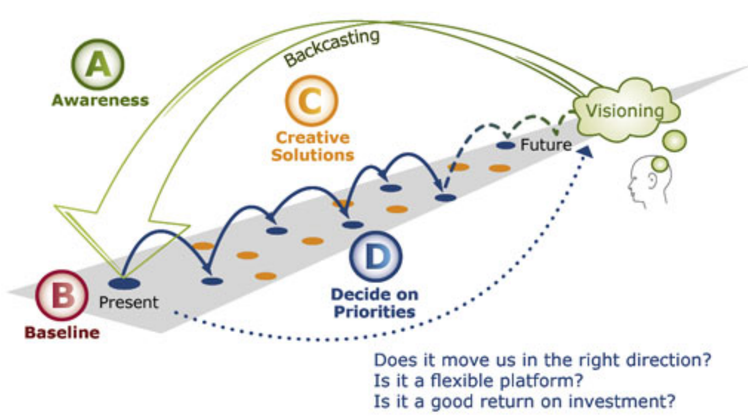
- the strategy must support or advance the mission, (growth)
- the strategy must contribute to competitive advantage, (collaboration)
- the strategy must enhance the bottom line financially, (sustainability)
- and the strategy must improve the organization's image with respect to quality of service. (quality)

Hindsight, of course, is always 20/20, but let's apply these criteria to both of the events I described earlier. Would we have proceeded with the merger had we employed this screening device? The affiliation certainly allowed us to advance our mission. Giving us a national scale of operations afforded us a competitive advantage over smaller, more regional organizations. The affiliation certainly gained attention from funders and trade associations. And because we built into the merger integration process commitments to a philosophy of quality service delivery, the merger definitely helped us enhance our image for providing exceptional service. But the impact on the organization's finances was something else. Hoped-for expansion of the donor data-base did not materialize. Fund-raising could not keep up with a growing loss from operations. Promises to bring wages and benefits into alignment with the parent company only increased the cash-flow problem. I won't say that the criterion related to financial impact would have been a deal-killer, but I do think it may have conditioned our negotiations in a way that would have lessened the negative impact. All-in-all, I believe the merger was good for my company, but having such a screening mechanism in place would have influenced how we structured the deal.

And then there was the recession. Protecting the mission in the face of calamitous financial times was paramount and we worked hard to not compromise the quality of the services we provided. In fact, we were adamant that no strategy would negatively affect direct support. Strategies we did employ, therefore, were aimed a "right-sizing" to make sure that nothing interfered with mission and quality. Even when we had to announce closure of programs in a state which just would not reimburse at a break-even rate, messaging to the media was based on our uncompromising commitment to quality. So, even though we didn't have a realistic strategic plan, we did develop, out of necessity, a set of decision guides that allowed us to remain true to who we were and to respond to the deepening financial crisis quickly and effectively.

The fear of having to face unanticipated challenges and opportunities and not having rational tools to aid decision-making is the most pressing concern of most CEOs I have had the opportunity to work with. In fact, they tell me often that they can't wait to get through the larger tasks of strategic planning so they can develop screening criteria to deal with such events. But I tell them, as I am telling you now, that building the overall strategic framework FIRST is the necessary prerequisite to creating screening criteria. Making decisions in the face of the unexpected twists and turns of life requires a meta-vision, an overarching direction, a high-level position toward which the organization is moving. The strategic plan is the vehicle for articulating that vision. Strategy screens are the tools for making immediate decisions about unanticipated events within the context of the overall plan.

I want to pause here to talk about another common mistake that is often made by organizations as they work to define their preferred future. This mistake is often described in the terms "vision-casting" and "back-casting." Let's assume that you have done everything that was suggested and you have a picture of your preferred future. The error comes from taking that vision and "back-casting" it into incremental steps that get you from where you currently are (B) to where you want to be. While that sounds very logical, it is often based on a false assumption, namely, that the environmental conditions will remain the same throughout the duration of the plan. The diagram below illustrates what I am talking about.



The diagram indicates that as you are monitoring the environment (A), changing conditions may suggest alternative reactive strategies (C) based on screening criteria from which action priorities (D) can be implemented and evaluated. In other words, planning and acting to achieve the vision needs to be dynamic and responsive as time moves on and conditions change. Using a method such as that suggested by LaPiana can help the organization remain nimble and responsive by positing strategies to address changes without abandoning the overall vision. The other limitation of the diagram is that when conditions change that prompt alternative strategies and actions, the vision itself may altered to reflect new realities and understandings of the future and the capacity of the organization to achieve that future.

Here's an image that may help you visualize what I've been talking about. Think of the strategic plan as your travel itinerary for driving to a destination. You have calculated the ending point, how long it should take, what route you are going to follow, and what your destination looks like. Annual iterations of the rolling strategic plan may suggest decisions such as taking a different route to save time, deciding to take a detour, or stopping for gas or coffee. Strategy decisions which are required to deal with unanticipated events can be thought of as being as minor as having to making a lane change or deciding to speed up or slow down, or as major as pulling over to fix a flat tire or running out of gas. You can see the relationship of each level of decision-making to the others – all within the context of the trip itself.

Underlying this thinking, however, is the need for constant monitoring and evaluation of data that measures operating conditions. The ability to develop timely strategic responses to emerging issues assumes a high level of awareness of the conditions that brought about the issue. Data latency is a challenge to most organizations and isn't just restricted to the IT world. From personal experience, I know what can happen when programs are in trouble and leaders remain unaware. My company was almost asked to exit a state because the wheels were coming off certain programs and we didn't know it at the time. And believe me, there is no worse feeling that a CEO can have than to be surprised by bad news! This process can help to improve the organization's ability to respond to changing conditions or emerging issues proactively and avoid being forced into an emergency-driven reactive mode.

Works cited

La Piana, D. The Nonprofit Strategy Revolution. (2008). Turner Publishing Company, NY, NY.

Question Nine: How will you support continuous learning, thinking and acting?

If you have followed the approach I have outlined, you have created a comprehensive, coherent strategic plan that not only describes your preferred future in high level position statements, operationalizes it through measurable goals, but also has in place a set of strategy tools to deal with unanticipated events. It all looks great on paper, but the question now is how to embed the strategic plan into the regular thinking of executive leadership and the board? Since the primary audience for this monograph consists of chief executive officers, we might ask it in a little different way: "How can CEOs make sure that their organization's strategic plan is and remains a living and dynamic document which directs the actions of the organization forward toward its preferred future?" Let me offer up a few ideas.

1. First and foremost, the strategic plan has to guide the daily activities of senior leaders. In larger organizations, this might be accomplished by devoting one monthly executive staff meeting to evaluating progress toward achieving strategic goals. Such a meeting could include report-outs by those assigned to specific strategic goals or initiatives and should include metrics of progress. In smaller, less formal organizations, discussions by senior leaders should focus on the high-level priorities called out in the strategic plan, even if such discussions are around the water cooler. This focus should be modeled by the chief executive in both formal and informal conversations. There is, after all, nothing more important for executive leadership than execution of the strategic plan. It would seem to make sense that its achievement would be the dominant topic of conversations. If it isn't, then I would argue that the strategic plan is inadequate for its intended purpose.
2. Formalizing the various levels of the process into policies and procedures ensures that certain planning and review processes occur at appointed times each year. Included in the strategic planning document should be an articulation of the organization's planning philosophy and a broad annual schedule of planning activities. Under Question Five (p.23) I included a diagram I developed for an organization holding four board meetings each year that integrates the key elements.
3. Board engagement in supporting the plan can be achieved by structuring regular board meetings around the major themes of the strategic plan. Envision a board meeting in which the majority of time is spent evaluating the progress of the organization toward achieving its goals. Gone are boring operations reports. Financial reports are related to the plan, complete with scenarios and forecasts. I used this approach to good effect, not to keep the board unware of other operational matters (we published a board briefing book between board meetings which shared such information), but to help them fulfill their primary fiduciary, strategic and generative responsibilities. Boards can help their CEOs remain focused on strategy by explicitly demanding more board meeting time on strategic trends and issues. I'd even go so far as to assert that the agenda for board meetings IS the strategic plan.
4. Explicit decision-making processes should be developed and utilized as an execution tool to actually drive forward the goals articulated in the strategic plan, while allowing for shifts in thinking that naturally come about in dynamic and changing environments. The CEO has to model this kind of continuous strategic decision-making and expect it of all other executives in his or her organization. The filters or screens for making value judgments about strategic issues that arise can flow directly from the environment scan, business model analysis, and capacity assessment that should be part of the strategic planning process.

5. Let me interject a word here about consultants. It should be an expected part of every consulting contract for strategic planning facilitation to include the development and implementation of decision-making processes that support execution, implementation, learning, and adaptation. It may be necessary to utilize additional periodic consulting to advise the board and the CEO on how well its plans are being executed and to offer additional coaching and guidance. No organization should be satisfied with a "one and done" approach from a consultant. The ideal deliverable is an embedded process of strategic thinking, planning and decision-making that extends way beyond the publication of a slick planning document.
6. Under Question Seven (pp. 27-28), I wrote about the importance of data in order to measure progress toward achieving the preferred future. Whether these are called dashboard indicators, key performance indicators, operational metrics, strategic intelligence, goal statistics, or something else, they comprise what we now refer to as "business intelligence," in other words, all the data which informs leadership about how well the organization is performing with respect to its strategic goals and objectives. For these to be of any value, however, they must be monitored regularly in order to preemptively detect any changes or developing trends. Having in place such monitoring and reporting systems ensures that leaders know if they are on track or not.
7. Developing strategies to move toward a preferred future is not an end in itself. Implementing the strategies, monitoring their execution, learning from their impact, and being able to develop additional or alternative strategies to address conclusions from such learning – these are the critical activities needed to make the strategic plan a living and dynamic document.
8. And finally, an important strategic leadership activity is to let the entire organization know where it is headed. Through newsletters, video messages to employees and stakeholders, posters and other media, the CEO is not just the visionary who sees the future, he/she must also be the story-teller-in-chief. Dreams are shared through story. The strategic plan is a dream, albeit one that may change over time, as do all dreams. But the dream will stay locked in the corner office if the story isn't told. And, just like a television series, if you tell the story to people, they are going to want to see the next episode! If you tell the story, and it holds out an expectation, then you become accountable for making the story come true!

Regular review of the business model, evaluating the environment to support market awareness and competitive advantage, thinking about the values and criteria that are needed to make strategic decisions as issues emerge, developing additional or alternative strategies when data suggests the need for divergence from the plan, implementation and evaluation of strategies – these are the essential ingredients of active and dynamic strategic thinking, learning and acting. And in this, as in just about every other aspect of organizational effectiveness, it comes down to leadership as to whether they are successfully utilized to move the organization toward its preferred future.

Question Ten: How will you tell your story, to whom, and for what purpose?

The strategic plan you have just completed tells a story. It provides a setting with historical background, location, conflict, challenges and exciting opportunities. There is definitely a plot line with plenty of foreshadowing and suspense. There are characters who play critical roles in the story. Most of all, your story can evoke strong feelings of loyalty and support. Those who encounter your story should be moved emotionally, should connect with the characters and their cause, and should be inspired enough to share the story with others.

If you think I am exaggerating with this attempt to analogize between a strategic plan and a story, I would suggest that you are ignoring the power of narrative in influencing the affective psyches of the people who are connected to your organization. Believe me when I tell you that your strategic plan has the potential to influence the attitudes of funders, enhance employee loyalty, evoke satisfaction among your clients, inspire respect in the minds of competitors, and generate greater engagement from your board of directors.

A good strategic plan sends a powerful message to constituents that you have a compelling mission, that you understand your environment, that you are visionary and forward thinking, that your organization has the capacity to change and move into the future, and that you know where you are going. Telling that story in the right way to the right audience for the right reason is the final and last step in this ten-part approach to coherent strategic planning.

You may ask, "How can a strategic plan, complete with charts and tables and lists and goals and all manner of other technical information, be told like a story?" The answer is that the form and substance of the story depends on the audience.

For the board of directors and the executive leadership team, the strategic plan as a whole is the story. It has to be assumed that individuals in these two leadership areas require the story in its entirety in order to properly execute their responsibilities. Therefore, printing the entire document (please, not in four-color glossy brochure format!) for use by leadership is necessary if you intend to use it on a regular basis to guide discussion, frame decisions, evaluate progress, and celebrate accomplishments. I would argue, in fact, that the strategic plan should be printed and included in each quarter's board briefing book and that agenda items for board discussion be drawn from the strategic plan. To avoid having the plan die a dusty death on somebody's shelf, it must become the operating manual that guides all activity.

Despite the fact that typical strategic plans can get rather lengthy and detailed, the story can be told to employees, donors, volunteers, clients and others in ways that accomplish the purposes I've listed above. I'd like to offer a few suggestions on how to accomplish this for your consideration. Not all of these may be appropriate for your organization, but I hope you will be able to gain some ideas on how to tell your story. Just keep uppermost in your mind the needs of the audience with which you are seeking to communicate and the form of the story will take its own shape appropriately.

- Print the organization's mission, vision and core value statement in poster-sized format and post them throughout the facilities. A little money spent to have this done professionally will communicate to those who see them that the organization places a lot of value in these statements as guides for action and descriptors of the corporate ethos.

- Print the Position and Goal statements in a similar poster-sized format and post them alongside the mission, vision and core values posters. It may be sufficient to just publish the position statements. Regardless of how much detail is provided, they must be easily readable and must communicate the big picture direction the organization is taking.
- Publish a "precis" of the strategic plan, i.e., a two or three page executive summary that can be printed in small booklet form to use with donors, funders, volunteers and others. In such an abbreviated form of the plan, marketing and communications staff will want to reframe the strategic plan into a readable narrative that engages the reader and leads to some type of conversion, be it a donation, greater commitment, volunteering, or other types of action.
- Depending on the audience, such brochures or marketing materials may or may not be supported by colored graphics and a professional layout. The question driving those decisions should be: "Will this document in this format significantly support the purpose for which it is intended with the target audience?" Some would argue that slick four-color expensive brochures can turn off committed donors who might question spending money on an expensive marketing piece. Others will argue, however, that doing it right communicates serious commitment to the vision and is essential for attracting new donors.
- My mentor once described the role of CEO as "chief story-teller." If the organization has the capacity to post videos (e.g., through YouTube, vimeo, or other formats) to employees and others, the CEO might consider a short five-minute video in which he/she talks about the strategic plan and what it means. If you are going to use such a medium, I'd suggest spending the money to have it filmed in high resolution with a teleprompter. It must look and sound professional. I'm sorry, but video-taping your comments on your phone from the front seat of your car and posting it on Facebook sends the wrong message!!
- In addition to mission, vision and core value statements, one organization I worked with posted each year's initiatives (i.e., their tactical annual action plans) throughout the organization to help employees understand better why certain decisions were made and why actions were taking place.
- Organizations which are centrally located and hold annual "town hall" meetings – either for staff or clients - should consider devoting one such meeting to the strategic plan and what it means for them. Such high-level presentations are great for soliciting feedback and for better understanding of issues that might impede progress.
- The strategic plan should be prominently exhibited on the organization's website. However, I would recommend against posting annual initiatives, key performance indicators, and other data that might be either too technical, confidential, or subject to interpretation. The organization's media, marketing and communications staff should work with leadership to post a narrative version of the strategic plan that is readable and attractive. The heart of the strategic plan is comprised of the position and goal statements and these should be most prominent in any online presentation. How much of the back story and analysis should be included is a judgment call but, in my view, should be kept to a minimum.
- Organizations which are dispersed could consider holding focus group sessions in remote locations to explain the plan and its implications for the company in its various locations. Ideally, such focus groups should be held before the final plan is rolled out to promote ownership of dispersed stakeholder groups. I used this tactic to great effect when I was facilitating a strategic plan process in the context of a merger. Stakeholders in the acquired company gained access to the CEO and became insiders and participants in the planning process, making sure that their regional concerns were heard.

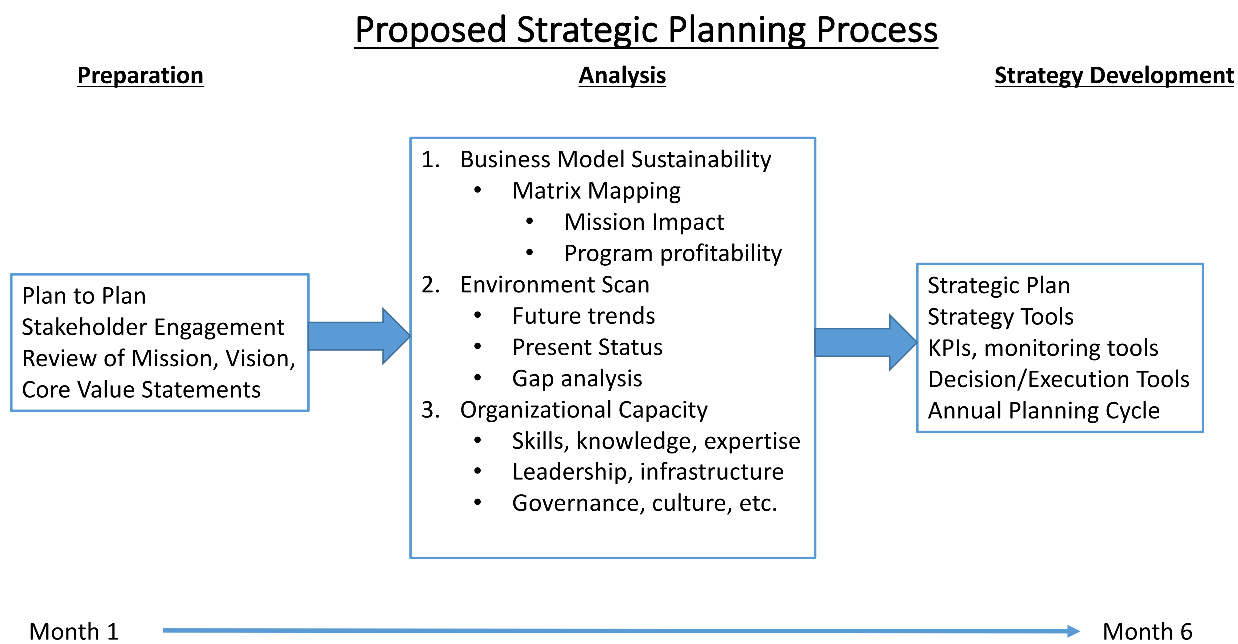
- Elements of the strategic vision can be shared using social media platforms. The organization's Facebook page can be used to post stories or pictures related to strategic goals. Twitter posts can succinctly reinforce the image of an organization moving toward its preferred future. As other social media platforms emerge, the organization's media and communications staff should discuss how they could be used to tell the story of the organization's journey toward its future.

Organizations engage in comprehensive strategic planning in order to identify and achieve their preferred future. The strategic plan, told as a story, is intended to generate support and commitment to that future. Whether such commitment is demonstrated in the form of money, time, ability, loyalty, or respect – the story is told with a deliverable in mind. Suffice it to say, the story of the strategic plan, artfully shared, can go a long way toward helping the organization achieve its preferred future.

Conclusion

The process I have described generally takes about six months of intensive work by the organization and the consultant to conduct the needed research and to allow sufficient time for major themes and ideas to emerge. Although the process can be shortened, abbreviated, or even extended depending on the size and complexity of the organization, the elements I have described should be included. In very small organizations, the processes may be less formal and may place a heavier emphasis on stakeholder input through interviews. In larger organizations, survey tools, data gathering and analysis may dominate the efforts. Regardless of size or complexity, I believe this approach to strategic planning is relevant and applicable.

The following diagram lays out the essential components I have described in the preceding pages.



This diagram has been useful in preliminary presentations to CEOs, boards, strategic planning committees and senior leadership as a way to describe the major pieces of work they will be doing. If needed, I attach time estimates – both for staff and consultant – and insert dates for periodic meetings of the task force charged with oversight of the project.

Project management skills are very important throughout this process to make sure that assignments are clear, deadlines are met, and people who are assigned various tasks are held accountable. To support such accountability, I will use a "Task Planning Worksheet" to keep track of all the moving parts and to review progress at every meeting. The first page of a sample task planner is shown below which describes each of the steps associated with the strategic planning process. The completed worksheet will include every activity, task, assignment, due date and deliverable from the initial planning meeting to the adoption of the completed strategic plan by the board of directors. If additional follow up steps are needed, such as converting the strategic plan into a set of marketing pieces, or launching it through a series of client and employee forums, additional tasks can be added as required. It is also very important for avoiding project creep, that is, allowing ancillary processes such as succession planning, risk management, etc., from intruding into the process.

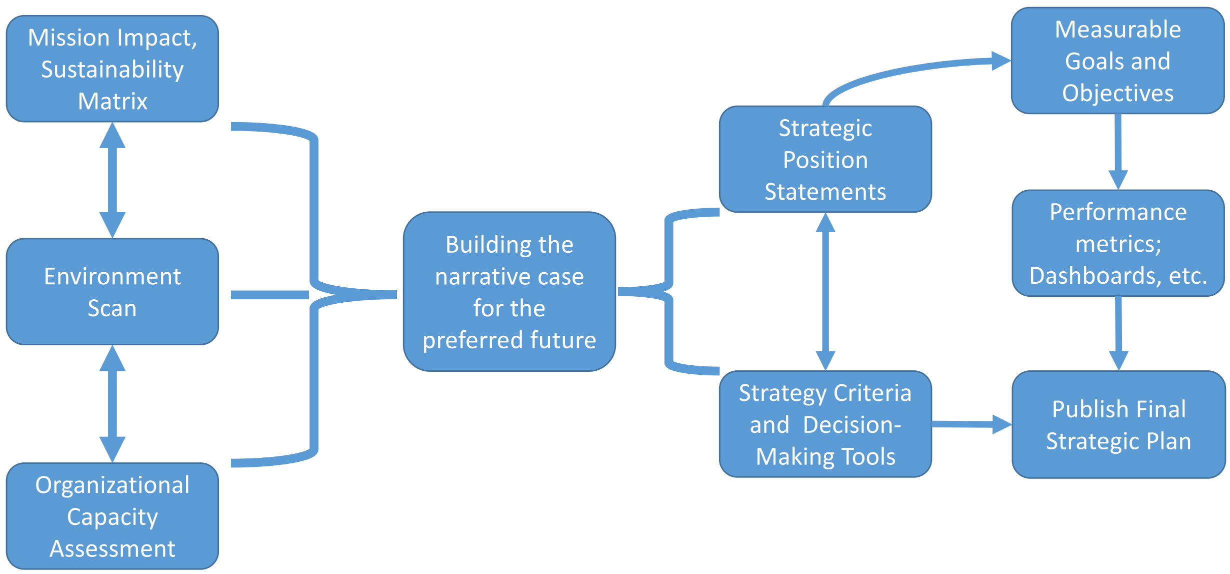
TASK PLANNING WORKSHEET
ABC Services, Inc.
(09.11.17)

	Activity	Assigned	Deliverable	Due	Status
1.0	PREPARATION				
1.1	External stakeholders. Identification of key internal and external stakeholders. These stakeholders will participate in both the mission impact assessments as well as the internal capacity assessments.	TS	List of stakeholders by category including contact information	2-24-17	Done
1.2	Review mission, vision and brand vision statements. Affirm, amend or rewrite.	SPC	Final statements will be established.	3-24-17	Done
2.0	BUSINESS MODEL – MATRIX MAP				
2.1	Define "program." Delineate those missional activities which can be evaluated individually for their impact and profitability on the matrix map, and serve as the lens through which the environment scan and capacity assessments are performed. A "program" can be thought of as a unit of missional work for which decisions can be made relative to its initiation, continuation, expansion, or cessation.	MM, NK	List of programs with brief identifying description.	4-1-17	Done
2.2	Identify fund development programs, that is those activities that directly or indirectly generate revenue to support the mission of the organization and its programs.	CP	List all fund development programs.	4-1-17	Done
2.3	Select criteria for mission impact. Besides the two "mandatory" criteria, two or three additional criteria must be selected to be used in measuring the perceived mission impact of each program. Determine weighting of criteria, if any.	SPC	Criteria defined.	3-27-17	Done
2.4	Develop questions to be used in interviews and surveys to measure mission impact according to the	JB, SPC	Electronic survey	4-20-17	Done

Use of such a chart with the Strategic Planning Task Force or executive team keeps the focus on essential tasks and promotes efficient and effective project management. If desired, the tasks and their deadlines can also be translated into a Gantt chart.

Another way of describing the overall process is depicted in the diagram which follows. I use this visual representation with boards and committees to help them understand exactly where we are at every step of the process and to see how the pieces are related to one another. CEOs have told me that this chart provides the greatest clarity for their boards around why they are doing various activities in the planning process.

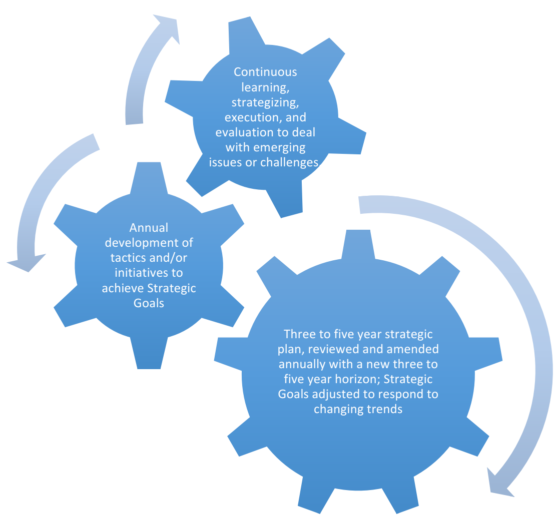
Project Process Summary



Trying to depict this process in the form of a single diagram has proved to be quite challenging, primarily because it includes both linear and cyclical processes. The closest I can come to describe the annual cycle that is used to support a rolling three to five-year plan is the diagram I developed below.

<u>HOW IT ALL WORKS</u>

Interrelatedness of 3-5 year strategic plan, annual planning update and development of annual objectives and/or initiatives; and real-time strategizing to deal with emerging challenges and opportunities.



A Final Word

The process I have described in this document is not rocket science. Neither is it brain surgery. If you understand what is required and are able to answer all ten of the questions I have posed, you should be able to lead your organization through a successful and incredibly powerful strategic planning process. You have been offered the tools to define your organization's preferred future in a way that describes a clear path to impactful and relevant greatness. Your staff will adore you as a leader who brings the mission to life. Your board will revere you as a strategic visionary who brings clarity and passion. Your donors and volunteers will be confident and committed enough to give you their time, talents and treasure.

So, why should you **NOT** do this on your own? Why should you at least consider using somebody like me to facilitate this process? Here are five reasons you might consider for obtaining outside counsel.

First, you don't have the time to devote to it. Regardless of the size of your organization, and regardless of your capacity for work, you were hired to provide executive leadership. I know from my years as a CEO what that all entails and you should protect your own health, well-being, and effectiveness by leaving the management of this process to someone else. In other words, don't let a process like this compromise your ability to provide the kind of leadership your organization deserves on a day to day basis.

Second, having said that, it is just as unwise to delegate this process to a subordinate. Unless you are so large that you already have a vice president of strategy, it sends the message that your top executives don't have enough to do already. If your shop is anything like my shop used to be, every one of my senior administrators was already overworked. To add a project of this magnitude to their plate sends conflicting messages – either I can dump more on you and I don't care, or I don't think you have enough to do.

Third, using someone else to facilitate the process allows you to maintain a measure of objectivity and ensures a high degree of integrity. Of course, you are the final arbiter of what goes to the board for approval, but having someone else manage the process does help to insulate you from the kinds of bias that can creep into strategic planning. If you are too integrally involved in managing the process, then you run the risk of unwittingly imposing your own prejudices into the outcomes as opposed to letting data and research inform the story and direct the outcomes.

Fourth, comprehensive strategic planning is hard work. You and your staff will be engaged in extra work no matter who manages the process. But it is much easier for a third party to hold your team members accountable for meeting assignments and deadlines without the extra baggage of regular work relationships. They are accountable to you for enough already without adding an extra set of expectations. And if one of your team is failing to meet assignment deadlines, let the consultant bring that to your attention as opposed to you having to ride herd over them for one more thing.

Finally, you can't be perceived by your board as expert in everything. There is considerable value in being perceived as the manager of the expert instead of the manager of the process. It says to the board that strategic planning is so important to the future of the organization that is it worth investing in expertise to make sure it is done right. Even if you are capable of doing it all yourself, your board won't view the outcome in the same light as if an expert guides the organization to the end.

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So there you have it. A coherent and comprehensive process that creates a long-range vision and plan for your organization to position it into its preferred future, and a process that supports nimble and responsive decision-making. You will have arrived at a place which makes sense to stakeholders, inspires support, and enhances accountability for results.

It is my sincere hope that what I have described is of value to you and your organization. I would be honored to receive comments and suggestions for improving the process even more. And, of course, I would be doubly honored to serve you and your organization by helping facilitate your next strategic plan.

Should you wish to speak further with me about any of the ideas I have shared, or if you would like to explore ways in which I might be of service to you and your organization, you can reach me at:

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