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# A BRIEF INTRODUCTION TO STRATEGIC PLANNING FOR BOARDS



**“Strategic”** refers to major, crucial, or immediate issues or activities that can impact on the long term overall goals of the organization.

***There is one universal rule of planning:  
You will never be greater than the vision that guides you.***

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## STRATEGIC PLANNING & STRATEGIC THINKING

**Strategic Planning** is a systematic approach to developing long term plans to guide the organization over a period of time. The time period can be from one to several years. Comprehensive strategic planning requires more time, money, and expertise than most nonprofit boards have available. The essential concepts in strategic planning can be applied over time to accomplish strategic planning without the need for extensive resources applied over a short period of time.

**Strategic Thinking** is essentially taking the major concepts and activities involved in strategic planning and incorporating them into regular board meetings. One of these major activities is adopting a questioning approach to change that relates all decision making to the major Roles, Responsibilities, Duties and Operational Goals of the board. These are listed in the chart below:

**How does the board ensure that the following are always referenced for all major decision making?**

**Responsibilities:** Nonprofit boards exist to fulfil their **Mission** through actualizing their **Values** to achieve their **Vision**.

**Roles:** The board is expected to demonstrate **Leadership**, **Communicate** to and from stakeholders, and provide **Oversight** of the actions of the Board, Staff, and Volunteers.



**Duties:** The Incorporations Act states that all incorporated boards are to demonstrate the Duties of **Care**, **Loyalty**, and **Obedience**.

**Operational Goals:** Boards are expected to be **Effective**, **Efficient**, and make decisions that are **Meaningful** in terms of their Mission, Values, and Vision.

<b>Responsibilities</b>	Mission	Values	Vision
<b>Roles</b>	Leadership	Communication	Oversight
<b>Duties</b>	Care	Loyalty	Obedience
<b>Operational Goals</b>	Effectiveness	Efficiency	Meaningfulness

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## WHAT IS STRATEGIC PLANNING?

Simply put, strategic planning determines where an organization is going over the next year or more and how it's going to get there. Typically, the process is organization-wide, or focused on a major function such as a division, department or other major function.

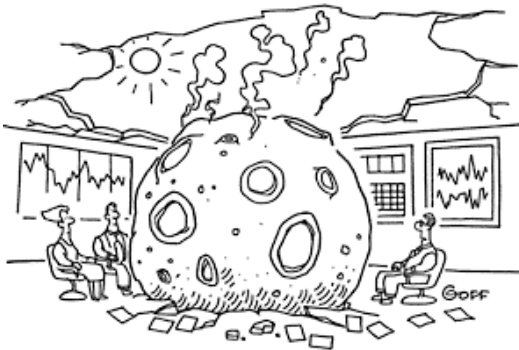
### A necessary set of underlying principles:

1. There is a need for clear “user-friendly” written statements describing the organization’s longer term goals (for at least one year’s goals).
2. The organizational culture must support honesty, transparency and accountability.
3. The participants need to develop strategic/systems thinking and skills.
4. Effective two-way communication must be maintained at all times.



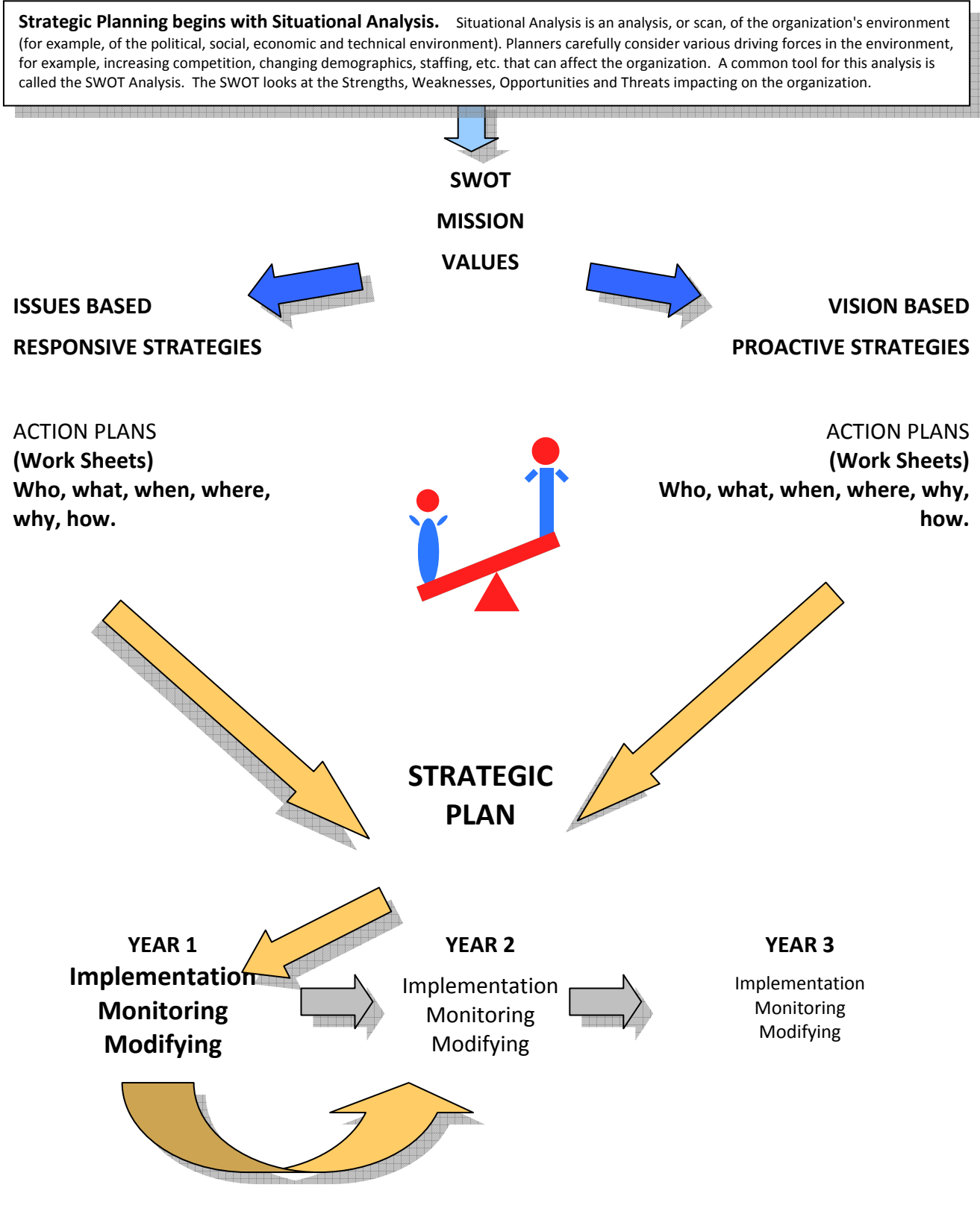
## BENEFITS OF STRATEGIC PLANNING

1. Clearly establishes realistic goals and objectives consistent with the mission, in a defined time frame, within the organization’s capacity for implementation.
2. Provides a basis for communicating the organization’s goals and objectives to the organization’s stakeholders (especially funders).
3. Ensures the most effective and efficient use is made of the organization’s resources by focusing the resources on the key priorities.
4. Provides benchmarks from which progress can be measured, and establishes a mechanism for informed change when needed.
5. Brings together everyone’s best and most reasoned efforts in order to build and maintain a consensus about where an organization is going.



"Is there anything else we failed to anticipate in our plan?"

## THE STRATEGIC PLANNING PROCESS



## HOW COMPLEX SHOULD THE PLANNING BE?

	<b>Abbreviated</b>	<b>Moderate</b>	<b>Extensive</b>
<b>Time</b>	One or two days	One to three months	Six months or more
<b>Personnel Involved</b>	<ul style="list-style-type: none"> <li>➤ In smaller organizations, usually entire board and staff.</li> <li>➤ In larger organizations, usually entire board with staff and client representatives.</li> </ul>	<ul style="list-style-type: none"> <li>➤ In smaller organizations, usually entire board and staff.</li> <li>➤ In larger organizations, usually entire board with staff and client representatives.</li> <li>➤ Some external stakeholders provide input.</li> </ul>	<ul style="list-style-type: none"> <li>➤ Large number, including extensive input from all major internal and external stakeholder groups. Strategic Planning experts usually involved.</li> </ul>
<b>Depth of analysis/new information to be gathered:</b>	Little or none	Some: mainly from internal stakeholders and clients	A lot: a minimum includes data from staff, internal and external stakeholders, clients and objective data about operating environment.
<b>Primary outcomes sought from strategic planning process</b>	<ul style="list-style-type: none"> <li>➤ Consensus among board and staff on mission, core future strategies, list of long-term and short-term program, and management/operations priorities.</li> <li>➤ Guidance to staff on developing detailed annual operating plans.</li> </ul>	<ul style="list-style-type: none"> <li>➤ Consensus among board and staff on mission, core future strategies, list of long-term and short-term program, and management/operations priorities.</li> <li>➤ Articulation of program and management/operations goals and objectives.</li> <li>➤ Greater understanding of the organization's operating environment (strengths, weaknesses, opportunities, and threats).</li> <li>➤ Some discussion of strategic choices.</li> <li>➤ Guidance to staff on developing detailed annual operating plans.</li> </ul>	<ul style="list-style-type: none"> <li>➤ Consensus among board and staff on mission, core future strategies, list of long-term and short-term program, and management/operations priorities.</li> <li>➤ Articulation of program and management/operations goals and objectives.</li> <li>➤ Greater understanding of the organization's operating environment (strengths, weaknesses, opportunities, and threats).</li> <li>➤ In-depth discussion of strategic choices.</li> <li>➤ Guidance to staff on developing detailed annual operating plans.</li> </ul>

## STRATEGIC PLANNING APPROACHES

ISSUES BASED	GOALS BASED	ORGANIC
1. Planners struggle to identify clear goals for the future ____	1. Planners can easily identify goals for the future ____	1. Goals differ with people in different locations ____
2. Clear Mission, Vision, and Values statements are <u>not</u> available ____	2. Clear Mission, Vision, and Values statements are available ____	2. Mission, Vision and Values differ with people in different locations ____
3. Mission, Vision, and Values statements are not referenced when making decisions ____	3. Mission, Vision and Value statements are referenced when making decisions ____	3. Mission, Vision and Values are extremely important but they are diverse ____
4. The organization faces several, critical issues ____	4. There are few, if any, critical issues in your organization's operations ____	4. Critical issues and change are common characteristics of the organization ____
5. Major changes in the environment are expected over next year or so ____	5. The environment appears stable or predictable over the next few years ____	5. The environment is variable and unpredictable ____
6. Decisions are made including staff and all major stakeholders ____	6. Decisions tend to be made in a top-down manner ____	6. The culture values maximum member involvement ____
7. You have little or no experience or expertise in strategic planning ____	7. You have a history of successful strategic planning ____	7. Culture has little history, experience, or interest in formal strategic planning ____
8. You have very limited resources in terms of people, time, money, and expertise ____	8. A major change in direction is desired and all the needed resources are available ____	8. Resources and funding are variable and unpredictable ____
9. The major value is balancing task and relationships ____	9. The major value is task achievement ____	9. The major value is relationships ____

## WHO SHOULD BE INVOLVED?

*Strategic planning is often conducted by a planning team.*

**Consider the following guidelines when developing the team.**



1. The chief executive and board chair should be included in the planning group, and should drive development and implementation of the plan (or, at the least, be continuously consulted.)
2. A primary responsibility of a board of directors is strategic planning to effectively lead the organization. Therefore, insist that the board be strongly represented in planning.
3. Have someone chair the group to balance task and process. It is helpful if this person has leadership experience and expertise other than the Chair or the CEO/ED/GM.
4. Ensure that as many key stakeholders as possible are involved in the planning process.
5. Involve the people who are responsible for implementing the plan.
6. Involve someone to administrate the process, including arranging meetings, helping to record key information, helping with flipcharts, monitoring status of record keeping, etc.

**Note the following considerations:**

Different people may be needed more at different times in the planning process: for example, strong board involvement in determining the organization's strategic direction, the Mission, Vision, and Values; then more staff involvement in determining the organization's strategic analysis to determine its current issues and goals; and then primarily the staff to determine the strategies needed to address the issues and meet the goals.

## LONG RANGE vs STRATEGIC PLANNING

Long-Range Planning	Strategic Planning
Views future as predictable	Views future as unpredictable
Views planning as a periodic process	Views planning as a continuous process
Assumes current trends will continue	Expects new trends, changes, and surprises
Assumes a most likely future and emphasizes working backward to map out a year-by-year sequence of events necessary to achieve it	Considers a range of possible futures and emphasizes the development of alternative strategies based on a current assessment of the organization's environment.

Adapted from Florence Green, *Strategic Planning: Blueprints for Success*, California Association of Nonprofits, 1994.



## WHAT IS VISIONING?

1. **Visioning is imagining a positive future.**
2. Visioning **requires trust in yourself, and the group**; that you have within you sufficient information and experience to create a meaningful future.
3. Visioning **adds physical, emotional, and spiritual awareness and energy** to the process of logically planning your future.
4. Visioning is a motivational process that identifies **direction and purpose**.



*"A vision is necessary because of the restless insistence of the mind to find answers to its questions and to organize reality into understandable patterns. A vision also gives us direction for behavior. It gives life predictability. My vision serves me as a frame of reference, a source of adjustment to reality. Because of my vision, whether it be large or small, tentative or fixed, I know how to act." (John Powell, Fully Human Fully Alive, p. 52)*

***"The very essence of leadership is that you have to have vision. You can't blow an uncertain trumpet."*** (Theodore Hesburgh, President, University of Notre Dame)

## SAMPLE PERSONAL VISION STATEMENTS

*Board Meeting: Board members are actively involved, sharing differing points of view, coming to agreements, and enjoying the process.*

*Self (as Chair): I am aware of the needs of the board members; focused on balancing task and people needs, and maintaining a positive perspective.*

*Organization: We are regularly asked to facilitate and present workshops for nonprofit boards that result in positive change and encouragement for board members.*

*Family: All my interactions with our children and grandchildren are positive and fun.*



Exercise: Fill in your vision in each of the life areas.

Board Meeting	
Self (as chair or board member)	
Your Family	
Your Organization	

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## VISIONING TASK

It's five years from now and (NAME OF YOUR ORGANIZATION) has just been written up in a major publication:

1. What would the headline be saying about your organization?
2. What would be a featured quote about the organization, and who would be saying it?
3. Write a headline and two or three bullets that serve as the outline of the story about your organization?
4. Draw a picture or describe a photo that would appear in the publication (including a caption).

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## TASK and PEOPLE

When any group works together over time, tension can build between those group members who have a preference for focusing on task activities and those most interested in interpersonal interaction.

**Task activities** refers to the accomplishments, production or results of group activities – solving a problem, completing a report, writing out goals, completing the strategic plan, etc.

**People (Maintenance) activities** refers to the way in which the group members work together – cooperatively, accountably, transparently, formally, informally, etc. These are often referred to as “soft skills”.

**Success depends on a balance of both task and people (maintenance) activities.**

“Trust as a foundation for high performance means just that: trust comes first. When we try to make the plan before the trust issues are resolved, we deal with symptoms rather than causes and repeating problems just change names.” <http://www.learningcenter.net/library/trust.shtml>

“Emotions are, in some respect, the most subjective elements of consciousness, since it is only the person himself or herself who can tell whether he or she truly experiences love, shame, gratitude, or happiness. Yet, an emotion is also the most objective content of the mind, because the ‘gut feeling’ we experience when we are in love, or ashamed, or scared, or happy is generally more real to us than what we observe in the world outside, or whatever we learn from science or logic.”

(Csikszentmihalyi, Finding Flow, p.17)

## TASK, MAINTENANCE & SELF-ORIENTED BEHAVIOUR

### Maintenance Behaviours

1. Encouraging – Being warm and responsive to others; accepting the contributions of others; giving others an opportunity for recognition.
  2. Expressing Group Feelings – Sensing feeling, mood, relationships within the group and sharing own feelings with other members.
  3. Harmonizing – Attempting to reconcile differences and reduce tension by giving people a chance to explore their differences.
  4. Compromising – When your own idea or status is involved in a conflict, offering to compromise, admitting error, disciplining yourself to maintain group cohesion.
  5. Gate-Keeping - Keeping the channels of communication open and making it easy for others to participate.
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**Task Behaviours**

1. Proposing tasks or goals - Defining group problems, suggesting a procedure or idea.
2. Information or opinion seeking – Requesting facts; asking for suggestions or ideas.
3. Information or opinion giving – Offering facts; stating beliefs; giving suggestions or ideas.
4. Clarifying or elaborating – Interpreting or restating ideas and suggestions; clearing up confusion; indicating alternatives before the group; giving examples.
5. Summarizing- Pulling together related ideas; restating suggestions after the group has discussed them; offering a decision for the group to accept or reject.

**INDICATORS OF WEAK MAINTENANCE EMPHASIS**

“When limited attention is paid to how individuals function and how relationships influence the board process, the unintended consequences can include chaos and board dysfunction characterized by a number of symptoms.” (Nonprofit Board governance: The Relationship Model, Stephen R. Block)

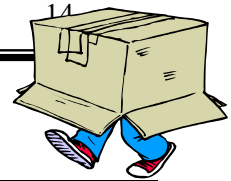
1. Irregular attendance by board members,
2. Early departure from board meetings,
3. Board/committee tasks incompleteness,
4. Tension/distrust,
5. Board members not attending fund raising or other organizational events,
6. Little involvement in board discussions,
7. Negative parking lot conversations.

**Self-Serving Behaviours**

1. Blocking - Interfering with the process of the group by rejecting ideas, taking a negative stance on all suggestions; arguing unduly; being pessimistic; refusing to cooperate.
  2. Deserting – Withdrawing in some way; being indifferent, aloof, and excessively formal; daydreaming; doodling; whispering to others; wandering off the subject.
  3. Being Aggressive – Struggling for status, boasting, criticizing, deflating ego or status of others.
  4. Recognition seeking – Attempting to get attention by boasting, or claiming long experience or great accomplishments.
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## STRENGTHS, WEAKNESSES, OPPORTUNITIES, THREATS (SWOT)

<p><b>Strengths (internal)</b></p> <p><i>examples</i></p> <ul style="list-style-type: none"> <li>➤ Board, staff support and positive attitude</li> <li>➤ Team approach used by Board</li> <li>➤ Balanced budget</li> <li>➤ Caring, knowledgeable, experienced and dedicated staff</li> <li>➤ Experienced, interested board members</li> </ul> <p><i>yours</i></p> <ul style="list-style-type: none"> <li>➤ _____</li> <li>➤ _____</li> <li>➤ _____</li> <li>➤ _____</li> </ul>	<p><b>Weaknesses (internal)</b></p> <p><i>examples</i></p> <ul style="list-style-type: none"> <li>➤ No young Board members</li> <li>➤ Technological changes – Internet and web site – lack expertise</li> <li>➤ Recruitment of professional staff</li> <li>➤ No fundraising strategies in place</li> <li>➤ Retention of Competent Staff</li> </ul> <p><i>yours</i></p> <ul style="list-style-type: none"> <li>➤ _____</li> <li>➤ _____</li> <li>➤ _____</li> <li>➤ _____</li> </ul>
<p><b>Opportunities (external)</b></p> <p><i>examples</i></p> <ul style="list-style-type: none"> <li>➤ Supportive stakeholders willing to volunteer</li> <li>➤ High demand for services</li> <li>➤ Partnership with agency X to share storage space</li> <li>➤ Positive newspaper coverage</li> </ul> <p><i>yours</i></p> <ul style="list-style-type: none"> <li>➤ _____</li> <li>➤ _____</li> <li>➤ _____</li> <li>➤ _____</li> </ul>	<p><b>Threats (external)</b></p> <p><i>examples</i></p> <ul style="list-style-type: none"> <li>➤ Increased competition for experienced staff</li> <li>➤ Lease lapses this year</li> <li>➤ Increasing government intervention requiring more staffing</li> <li>➤ Privacy Act implementation</li> </ul> <p><i>yours</i></p> <ul style="list-style-type: none"> <li>➤ _____</li> <li>➤ _____</li> <li>➤ _____</li> <li>➤ _____</li> </ul>



## Responsive Action Planning

	Major Opportunities	Major Threats
	1.  2.  3.	1.  2.  3.
Primary Strengths 1.  2.  3.	<b>Invest:</b> Clear matches of strengths and opportunities lead to comparative advantage.	<b>Defend:</b> Areas of threat matched by areas of strength indicate a need to mobilize resources either alone or with others.
Primary Weaknesses 1.  2.  3.	<b>Decide:</b> Areas of opportunity matched by areas of weakness require a judgment call: invest or divest; collaborate.	<b>Damage Control:</b> Areas of threat matched by areas of weakness indicate need for damage control.

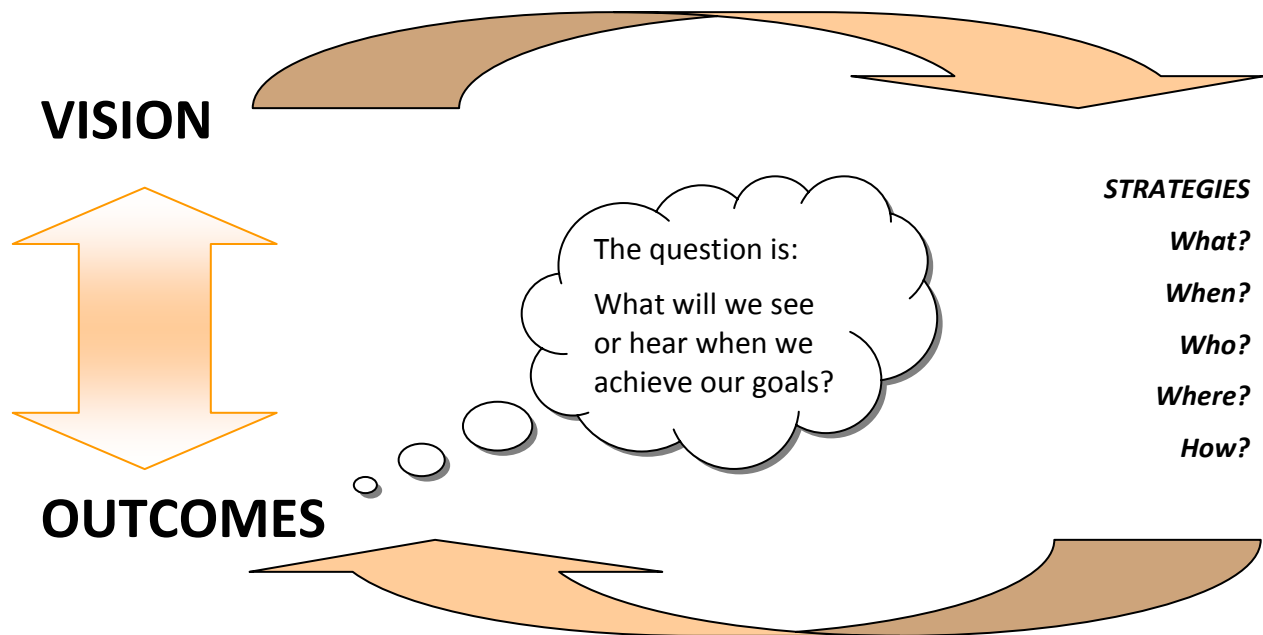
Major Opportunities	Major Threats
INVEST:	DEFEND:
DECIDE:	DAMAGE CONTROL:

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## RESULTS BASED PLANNING (Developing measureable/observable goals)



Measurable/observable goals are achieved through:

1. Stating goals in terms that make them observable and/or measurable. (e.g. increase of 20 % in service use; increased member satisfaction as expressed in survey results.)
2. Developing strategies for achieving the goals in terms of: What will be done? Who will do what? When? How will it be done? Where?
3. Assigning someone to monitor progress on achieving the goals and continuously reporting progress to the board or council, i.e. a Vision Keeper.

*Note: The constant and ongoing challenge is to balance application of planned strategies with a flexible approach that allows for modification of those strategies when new information becomes available. The need to change strategies may arise through internal or external environmental changes. (e.g. change in staff, change in funding)*

### **SAMPLE RESULTS BASED OUTLINE**

	<b>Example</b>	<b>Example</b>
Description of the goal	<b>Create a web page for the organization</b>	<b>Create a policy guideline for identifying issues as being either management or governance</b>
Who will work on achieving the goal?	Executive Director, staff, Board Committee	Executive Director, Board Committee
Who is accountable?	Chair of Committee	Chair of Committee
Date started?	Nov. 1, 200X	Nov. 15, 2007
How does it relate to the mission, values or vision?	Major value is continuous communication to and from members.	Clarifying issues ensures that Board time is spent on governance issues.
What activities must be completed?	To be determined by staff and committee	To be determined by E.D. and committee
How will progress be reported? To whom? When?	Progress report will be given to board at each subsequent meeting	Progress report will be given to board at each subsequent meeting
What date is it to be completed?	Web site operating by end of February of next year.	On or before the last day of June, 2008
What measurable or observable indicators will show goal has been achieved?	Feedback surveys of members. Number of hits on web site. Number of questions raised through site.	Policy guidelines will be written. Issues will be classified according to policy guidelines during meetings before discussion takes place.
What are the levels that will indicate success?	Feedback survey in June of next year indicating at least 50% of members have accessed site. Hits on site will show increase from month to month. Number of questions/month >20.	All agenda's will indicate whether items are governance or management issues. Little, or no, time will be spent clarifying status of issues during meetings.
What resources will be needed, including budget?	Software for web site design. Input from committee on content. Budget = \$800.00	Statements of mission, vision, and values. Current board policies. Job descriptions.
Who will be affected?	Members, stakeholders.	Board members and E.D.
What assumptions have been made?	That the majority of members have access to the internet. That members are interested in what board is planning and doing.	That the board will choose to deal with governance issues and turn over responsibility for management issues to the E.D.
How will closure be achieved?	Report given at AGM in Oct. summarizing feedback from members and future plans for web site.	Relevant board policy will be approved in June. Chair and E.D. will monitor process and report at the November meeting.



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## PRACTICE RESULTS BASED PLANNING OUTLINE

Description of the goal	
Who will work on achieving the goal?	
Who is accountable?	
Date started?	
How does it relate to the mission, values or vision?	
What activities must be completed?	
How will progress be reported? To whom? When?	
What date is it to be completed?	
What measurable or observable indicators will show goal has been achieved?	
What are the levels that will indicate success?	
What resources will be needed, including budget?	
Who will be affected?	
What assumptions have been made?	
How will closure be achieved?	

**STRATEGIC PLANNING FLOW CHART**

**MISSION**





**VALUES**



**VISION**



**STRATEGIC GOALS**

<b>GOALS</b>	<b>SG1</b>	<b>SG2</b>	<b>SG3</b>	<b>SG4</b>	<b>SG5</b>
			 <b>ACTIVITIES</b>		
<b>A1</b>					
<b>A2</b>					
<b>A3</b>					
<b>A4</b>					
			 <b>WORK PLANS</b>		
<b>WP1</b>					
<b>WP2</b>					
<b>WP3</b>					
<b>WP4</b>					



**STRATEGIC PLAN**

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[http://www.cd.gov.ab.ca/building\\_communities/volunteer\\_community/programs/bdp/services/resources/newsletters/Strategic\\_Planning\\_Governance.pdf](http://www.cd.gov.ab.ca/building_communities/volunteer_community/programs/bdp/services/resources/newsletters/Strategic_Planning_Governance.pdf)

Downloadable booklets and newsletters on nonprofit boards. Some of the best information on the internet is at <http://www.cd.gov.ab.ca/>. Choose “Building Strong Communities” and then “Volunteer and Community Development” and then “Resources” and then “Board Development Workbooks” or “Board Development Newsletters.”

An excellent outline for setting up a nonprofit board. Download the PDF file “A-Z of Board Governance.” If you do not have high speed access you can download smaller sections of the report from the same page. <http://www.vcn.bc.ca/volbc/tools/governance.html>

Excellent self paced learning modules on “The Fundamentals of Effective Board Involvement” By Sherry Ferronato For Mentoring Canada <http://www.mentoringcanada.ca/training/Boards/index.html>

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