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STRATEGIC PLANNING 101

The Essential Strategic Plan

Imagine an organization where every individual can name the strategic opportunities and threats facing it. And can articulate the organization's mission, vision and values from memory. And state the organization's top five strategic goals in the coming three years, and the success metrics by which they'll be judged. Imagine how productive this highly aligned organization would be. What has to happen to bring this about?

The Essential Strategic Plan distills much of the work found in the typical thirty-page strategic plan into a single page (okay, we'll cheat and use both sides). Doing so:
- Forces us to distill the plan to its essence, which is great discipline;
- Makes that essence widely available in a form that is easy to read and review;
- Builds a bridge between the big picture and the immediate.

Every nonprofit needs the Essential Strategic Plan. Why?
1) Because strategic planning is essential;
2) Grassroots nonprofits only have time for the essentials.

The Essential Strategic Plan has four sections:
1) Guiding ideas
2) Current assessment and critical strategic issues
3) Strategic goals, objectives, and metrics
4) Business model

The Guiding Ideas section includes:
1) Mission
2) Vision
3) Values

The Current Assessment section includes:
1) Current organizational strengths
2) Current organizational weaknesses
3) Current opportunities in the environment
4) Current threats in the environment
5) Critical strategic issues

The Strategic Goals section includes:
1) Your five top strategic goals for the next three years
2) Your top three objectives for each goal
3) Your top metrics you use to measure your impact, and success

The Business Model section includes:
1) Business model statement
2) Linkage to other planning such as operational planning, operational budgeting, board development, development planning, and capital planning

Guiding Ideas
Let's visit each section in turn.

Have you ever asked someone the mission of their organization, and had them say, "We have a copy of that around here somewhere?" Or asked them about their strategic plan, and heard, "Yes, we have one, but it's so long we never look at it?" As a strategic planning consultant, I have asked these questions, and heard these answers. They make me wonder, as about the proverbial tree falling in the forest, what impact do mission and strategic goals have if no one in the organization can name them?

Your Essential Strategic Plan identifies your organization's key guiding ideas, which typically include its mission, vision, and values. These are the critical few ideas that help people say yes to some things and no to others. The mission classically answers two (and only two) key questions:
1. Why do you exist (your ultimate aim or result)?
2. Who do you serve (your primary beneficiary or customer)?

For example, the Massachusetts Audubon Society says it simply: "to protect the nature of Massachusetts for people and wildlife." Noted management theorist Peter Drucker likes a mission that fits on a tee-shirt, and he would be pleased.

The plan also defines your vision - what you aspire to be or do some distance (five to thirty years) down the road. Read Jim Collins' inspiring work on the BHAGs (Big Hairy Audacious Goals) set by great organizations.

For example, Big Brother Big Sister of Central Mass. has a vision to "Never say "no" to a child in need of our services in our Metrowest communities, contributing to better schools, brighter futures, and stronger communities for all." They're not close yet, but they're on their way.

Lastly, your plan articulates your values – what you care about that you never compromise, no matter what else changes.

For example, The Children's Room, a support center for grieving children, spells out the four essential principles guiding its work with grief and healing. The Fuller Museum of Craft shares its definition of craft, and how it is different from art.

Current Assessment
Your Essential Strategic Plan lists the top five strengths of the organization, as well as the top five weaknesses, or areas of needed improvement. To give further focus, you are asked to define the Top One of Five in each category throughout the Essential Strategic Plan.

For example, the Concord Museum identifies an internal strength that it is the only accredited museum in the historic town of Concord, meeting a standard set by only 5% of American museums. Many organizations identify as a weakness the need for more diversified funding streams with greater unrestricted operating support.

Your Essential Strategic Plan lists the top five opportunities that everyone should know because any of them could dramatically improve the organization's performance over plan. Similarly, the Essential Strategic Plan lists the top five threats that could dramatically undermine the organization's performance.

For example, Golden Tones, a senior chorus, has "Aging Baby Boomers" on its short list of opportunities, and "Long time members passing on" on its short list of threats.

Once the current situation, both internally and externally, is clear, it is often relatively simple to identify critical strategic issues. For example, one college struggles with a $50 million dollar deferred maintenance problem, while aspiring to provide leadership in the area of sustainability. For them, a critical strategic issue is – How can we provide necessary upgrades to our physical plant and even go beyond, demonstrating leadership in environmental sustainability?

Strategic Goals

The Essential Strategic Plan defines your top five goals over three years. For example, Bunker Hill Community College recently defined five key goals for student success, workforce development, community partnership, environmental sustainability, and visibility. The Boston Latin School, America's oldest public school, recently defined five goals for student engagement, curriculum development, stronger community, state-of-the-art facilities, and community partnership.

Your Essential Strategic Plan enumerates key targets for success in three years, including both activity and outcome measures. Activity measures indicate your level of effort, e.g. how many people you serve. Outcome measures indicate your level of impact, e.g. how those people are helped. Together these targets answer the question: When you are successful, how will you know?

For example, A Suitable Image, a resource for women's wardrobes and appearance coaching, aims to serve 425 women a year in five years, and aims to have over 65% of the women it serves still be employed after six months.

Business Model

A business model statement links the methods by which an organization accomplishes its mission with their funding sources, in the context of an overall strategy for financial sustainability. For example, a children's theatre's business model statement reads: "We produce theatre for children and families, by children, supported by ticket sales and foundation grants, and supplemented by net income from youth workshops, special events, and an annual fund."

This statement conveys what the organization does, how its primary work is funded, and what additional, supplemental revenue streams are required to support the primary work of the theatre.

Here, the plan may also detail how its broad strategic goals will be integrated into the implementation work of the organization: for example, its operational plans, operational budgets, board development plans, development plans, and capital plans.

Conclusion

Are there better, more comprehensive ways to produce a strategic plan? No doubt. But the Essential Strategic Plan is best compared, not to the optimal plan that costs tens of thousands of dollars of your money, and months of your time, to produce, but to no plan at all. It is a massive improvement over that.

The Essential Strategic Plan distills the essence of the typical thirty-page strategic plan into a one-page document. Everyone in the organization can easily read it and review it.

The brevity and ease of use of the Essential Strategic Plan means that its goals and targets can provide the focus for annual, quarterly, monthly, weekly, and yes, even brief daily meetings. Once people know what they are trying to accomplish, they welcome regular feedback on their progress. The Essential Strategic Plan makes the organization's guiding ideas, success metrics, and key initiatives transparent, and therefore accessible, and finally, highly useful.

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EssentialWorth was founded in 2013 by Jay W. Vogt, CEO, and Judy A. Ozbun, COO with the mission to provide programs and tools for small to medium sized nonprofit organizations to achieve organizational success. We invite you to learn more at www.essentialworth.com.

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Nonprofits Need to Be Clear about Their Guiding Ideas

By Jay W. Vogt


Jay Vogt

Every nonprofit organization needs a clear set of "guiding ideas"—mission, vision, and values—that help their leaders and staff say "Yes!" to some things, and "No!" to everything else. Collectively, these guiding ideas get top billing in a strategic plan, but they truly come alive when used day-to-day to make better decisions about what to do and how to do it.

A clear mission is critical to avoiding "mission creep," in which your organization takes on projects that slowly drain its focus and vitality over time. A clear vision motivates your board and staff and communicates your direction to the community. Clear values remind your organizations' veterans how things are done and bring newcomers on board quickly.

Consultants use these terms differently, so start by building a shared definition of what these terms mean to your organization. There is no one right answer, so getting a shared understanding is more important than getting it "right." Here is how I define mission and vision:

Mission Answers Two Basic Questions

An organization's mission should answer two basic questions: 1) Who do you serve?; 2) What is your ultimate aim, or end result?

Peter Drucker, the management theorist, said the answer to the first question is your "primary customer." Donors, for example, would be a "secondary customer." They're important, but they're not the reason that your organization exists. The second question is equally simple: the answer is the reason your organization exists. (Interestingly, if your organization actually accomplished the reason it exists, it could likely go out of business.)

The mission of the **Massachusetts Audubon Society**, for example, is to protect the nature of Massachusetts for people and wildlife. It tells us whom the Society serves and its ultimate aim. And it meets another Drucker test: it fits on a t-shirt!

Some will say, "But what do they do?" Ask the Society, and its staff will tell you: "conservation, education, and advocacy." Important as those three items are, they are means—and subject to change—so they are not included in the mission.

You can buff up your mission with a "mission tune-up": gather key stakeholders and ask them to:

- Deconstruct how your current mission answers these questions
- Generate alternatives (if they are needed)
- Build a better one

Visions Can Be Realized within a Finite Time

An organization's vision is a compelling aspiration or significant achievement that the organization can actually reach in five to 15 years.

Achieving this vision is not a reason to go out of business but just an opportunity to create a new vision!

Jim Collins, author of *Good to Great* and *Built to Last*, has written extensively about vision. His term, "Big Hairy Audacious Goal," or "BHAG," for a visionary goal has worked its way into everyday planning use. A good vision motivates people in the organization and helps them see the overall importance of what they do every day.

In Natick, for example, the **Morse Institute Library** was housed in an historic structure before it set a vision of completing a renovation and expansion that would bring the library into the 21st century. At the same time, the new facility would preserve the past and be an anchor in the center of the community. It took the library's leadership many years, but when they opened their new building and redefined their role in the community, their vision was complete. In their next plan they set a new vision of creating a virtual library online that would offer services 24/7, a vision that they have already substantially realized.

Jim Collins says the best vision exists at the intersection of your passion, your economic engine, and what you do best relative to your peers. Finding that special fit energizes an organization. I often use the "grounded visioning" method, which envisions a future grounded in the characteristics and actions that the organization embraces when it is at its best. To find articles about this method, just search online for "grounded visioning" or **click here**.

Other Guiding Ideas

Once your vision and mission are clear, you can begin defining your organization's values, which describe what matters most about how you do what you do. To complement the values, write a set of core beliefs that are central to your work. An organization that operates a food pantry, for example, might adopt the core belief that "no child should have to go to bed hungry."

With a clear understanding of your organization's guiding ideas—mission, vision, values, and beliefs—board and staff more easily work together toward common goals. Funders and the community are more likely to support an organization that is able to clearly communicate its goals and the ways it plans to achieve those goals.

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Defining Organizational Values

By Jay W. Vogt


Jay Vogt

Organizational values are ideals and customs that govern the way you do what you do. They need not be written down—indeed they are worthless unless lived—but articulating them helps remind everyone what they are, and helps communicate them to new employees.

You know them best by observing the people who live them. Think of several people in your organization who work most in keeping with how you think things should be done around your organization. What are the values that they embody? Think of times when some line was crossed and you felt a deep sense of violation of the spirit of where you work. What was the value that got violated? These are great ways to sense your organization's underlying values.

The **Massachusetts Audubon Society** is more than a century old, but it had never written down its organizational values. As an organization committed to participation and with over two hundred employees, it was eager to engage its people in this process. And as a tightly managed nonprofit, it needed to do so efficiently, effectively, and inexpensively.

The president, Laura Johnson, assembled a Values Team to oversee the effort, and they engaged me to help them design and implement a process that they could run themselves. It needed to involve as many staff as possible in the organization, and it had to be easy and fun.

The simplest way to reach everyone was to get onto the agendas of existing meetings throughout the organization that would, collectively, touch the most staff. The cheapest way to do this was for me to train Values Team members to lead the values conversations themselves. The easiest and fastest way to reach the value essence in these conversations was through sharing appreciative stories, and then finding common themes, before distilling the core values.

The values discussions lasted just one hour, using one process flow for small groups, and another one for large groups. Here is the flow for large groups:

- Start by introducing the meaning and importance of values (5 minutes)
- Explain the first task - sharing stories of high points in one's experience of Mass Audubon (5 minutes)
- Have participants share those stories in groups of eight (15 minutes)
- Explain the second task - finding common themes (5 minutes)
- Have participants find common themes - working in groups of eight (15 minutes)
- Have reporters from each group share their results (10 minutes)
- Ask every participant to write out on cards those value words or phrases that best capture the essence of Mass Audubon (5 minutes)

After achieving remarkable participation in just a few months, the Values Team then got together for several meetings to distill their learning into six core values. A survey test of the acceptance of these values among employees subsequently revealed broad and deep regard for them. They somehow touched the core. Curious about the results? Look them over at **clicking here**.

Johnson reflected, "This process was deeply engaging to staff across the organization. It gave people the space to reflect on what was important, both to them and to Mass Audubon. It was incredibly inspiring to hear what people had to say. When you think that it was not a big time investment, it's especially amazing—that an hour, carefully planned in advance, could be so transformative."

For another example, download the program model for **Gaining Ground**, the farm that grows and gives away organic produce for hunger relief, and look at pages 6 and 7 of their **statement of values**.

Organizational values reflect the organization as it is, at its best. Writing them down reminds veterans, and orients newcomers, as to how things are done. Living them, and sharing stories of times when others lived by them, keeps them alive and well.

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