

# DON'T GIVE UP ON STRATEGIC PLANNING: 10 Keys to Success

Are you one of the many who've lost confidence in strategic planning? Give it another try, using these tips.

BY RICHARD MITTENTHAL

**S**kepticism about planning is on the rise. Political and economic uncertainty is the norm, and the pace of technological and social change has accelerated. There is disillusionment with planning efforts that can't keep pace. "We did a plan five years ago and haven't looked at it since," is one common complaint. Or, "By the time we completed our plan, we were already carrying out all its strategies."

But such comments miss the point. Rather than exposing a fatal flaw in strategic planning, they reflect a misconception about the purpose and value of strategic planning and what it takes to succeed. Indeed, the process can prove pointless and frustrating and the end product of dubious value when care isn't taken to set clear goals, define action steps, and elicit the views of major stakeholder groups.

Yet few tools are better suited to address the challenges of a changing environment. A successful planning process will help you make projections about environmental realities so that you can anticipate and respond to change.

## Plans into Action: Prerequisites of Success

A successful plan is a *usable* plan—one that informs your activities and yields meaningful improvements. Although each organization's challenges are unique, certain lessons apply across the board. The features of a good planning project don't vary—regardless of its organizational scope, emphasis, or specific issues. Here are 10 keys to strategic planning, gleaned

from foundations and nonprofit organizations whose plans proved effective:

### Key 1: Uncover opportunities and challenges

No organization exists in a static environment. Social, political, and economic trends impact the demand for your offerings. Even as advances in technology present opportunities, they also generate new expectations. Needs and community demographics are subject to change. So are methods for delivering programs and services. It is thus essential that you reexamine your programs, services, and operations in light of current realities and future projections.

In 1994, the Brooklyn Public Library (BPL) approved a five-year strategic plan that, predictably, had run its course by 1999. "Most of the goals had been achieved," says Martin Gomez, BPL's executive director. "We embarked on a new planning process, in part because we believed that we needed to rethink our services and programs in light of new technology. In the current market, we realized we could no longer get by with yesterday's systems." Moreover, while few had questioned the English-only platform for the Library's online catalog five years earlier, an assessment of Brooklyn demographics, coupled with information from staff discussion groups conducted as part of the planning process, revealed that the library's user base included increasing numbers of immigrants from Latin America, Eastern Europe, the Caribbean, and Asia. Thus, the Library's new plan calls for developing a flexible, multilin-

gual online catalog as well as an advanced telecommunications infrastructure.

### Key 2: Assess strengths and limitations

The bedrock of any successful strategic plan is a warts-and-all consideration of capabilities, strengths, weaknesses, and limitations. You must gather information, both objective and subjective, from a wide array of sources, including staff and board members, clients, community leaders, funders, and partner organizations.

Sometimes the process yields unexpected results. An organizational assessment led to a turning point in the nearly 150-year history of LCU, a provider of low-cost housing for deserving young women studying and working in New York City. Interviews with board members and staff brought out a pervasive belief that it was time for LCU to consider new approaches to fulfilling its mission.

"Rising operating costs, especially those connected with repairs and maintenance, were draining our resources, overtaxing our board, and hampering our effectiveness," says LCU president Noelle Mills Adler. "The assessment helped us grasp how serious our situation had become. It also presented us with two possible solutions: Professionalize our operations to reduce the load on the board, or sell our residences and establish a grantmaking program."

After reflection, LCU chose the latter course. "Our plan is to provide housing stipends for young women in conjunction with schools and nonprofit housing

## Strategic Planning: What It Is—and Isn't

More than a few strategic planning efforts have run aground because they were based on a fundamental misunderstanding of what a strategic plan is. Sometimes strategic planning is confused with other types of planning, each valid in its own right but geared to a different result. To put it simply, not every plan is a strategic plan. Use these definitions to clarify your planning work:

A **strategic plan** provides guidance in fulfilling a mission with maximum efficiency and impact. To be useful, it should articulate specific goals, action steps, and resources needed. It should be revamped every three to five years.

An **operating plan** is a set of tasks for carrying out the goals in a strategic plan. It goes into greater detail than the strategic plan from which it is derived, spelling out time frames and the roles of individual staff and board members, for example. It also has a shorter horizon than a strategic plan—usually one fiscal year.

A **business plan** focuses on the actions and investment necessary to generate income from a specific program or service. A business plan includes information about an organization's products, competitive environment, and revenue assumptions.

A **case statement** is geared toward marketing and fundraising rather than planning. It describes the organization's goals, capabilities, strengths, and benefits. Its purpose is to secure contributions and grants from individuals, foundations, corporate giving programs, and other philanthropic entities.

providers throughout the city," says Adler. "It's a way of making better use of our resources and serving an even larger client base."

### Key 3: Use an inclusive approach

All important stakeholder groups should have a voice in the planning. At a minimum, those groups include staff, current and incoming board members, clients, funders, and partner organizations. You needn't weigh all views equally or involve everyone at every stage. But a strategic plan shouldn't be the exclusive responsibility of a small cadre of stakeholders. If the planning process is to succeed, it must incorporate the views of all constituencies that will be affected by the plan.

When Ethical Culture Fieldston School began work on a new strategic plan, its intention was to honor "the long tradition of democratic, broad-ranging consultation," says school head Joseph Healey. "But we also needed to avoid chartering so many committees and adding so many layers that the work would bog down." To achieve inclusiveness without sacrificing productivity, the work was divided among task forces in key areas, including diversity, faculty life, governance, and buildings and grounds. Each task force, as well as an oversight committee, drew representatives from the school's major constituencies—faculty, student body, parents, administration, alumni, and trustees.

### Key 4: Create an empowered planning committee

Strategic planning should be a participatory undertaking—but not an anarchic one. As a matter of practical necessity, the core work will generally be entrusted to a small planning committee with sufficient decision-making authority to keep the project moving forward.

This isn't to suggest that committee members have carte blanche to adopt action steps, or that they not be held accountable to the board or larger community. But neither should they be subjected to constant second-guessing, or be required to seek board or management approval at every step. The board's confidence in their skill and judgment must be implicit.

At Safe Horizon—a New York City nonprofit formerly called Victim Services—the bulk of the initial planning work was done by an eight-person committee comprising four staff members and four representatives from the board. In the 20 years since its founding, Safe Horizon had strayed from its mission "to provide support for victims of crime and abuse and their families." The organization had branched out into several new areas, including immigrant services, "which were valuable in their own right, but not consistent with our reason for being," says senior vice president Elizabeth McCarthy. "We saw strategic planning as a way to get back to our founding mission.

"Committee empowerment was especially important because of our aggressive time frame," McCarthy adds. Work began in December with the goal of having a plan in place before the end of the fiscal year, the following June—an ambitious undertaking for an organization with more than 60 sites and a \$40 million budget. While the committee's recommendations were subject to board approval, "the board took them very seriously," McCarthy says. "In fact, most members didn't see the plan until it was in close-to-final form in May."

### Key 5: Involve senior leadership

Some executive directors and board members are inclined to take a hands-off approach to strategic planning. They may lack the time or interest. Or they may underestimate the task's significance and potential impact on the organization.

Must executive directors involve themselves in every aspect of the effort? Certainly not. But their active participation—that is, buy-in that goes beyond mere

verbal endorsement—is crucial. Absent their vision and commitment, and the certainty that funds and resources will be available to implement action steps, others are unlikely to take the process seriously.

Before Gordon J. Campbell became CEO of Safe Horizon in 1998, the board had started drafting a new strategic plan. “But Gordon was uncomfortable with that approach,” says Brooke McMurray, chair of the Planning Committee. “He felt that this needed to be an agency-wide effort, involving staff as well as board, front-line personnel as well as senior management.” In fact, Campbell hosted a two-day senior management retreat that resulted in development of core features of the plan. “What we needed was a plan for increasing our impact and relevance in tangible ways,” McMurray says. “Without Gordon’s dynamic involvement, I doubt we would have gotten there.”

### Key 6: Share responsibility

An effective plan takes many things into account: funding climate, expectations of clients and other stakeholders, the competitive landscape, and exigencies of operations and programming. Neither board nor staff, on its own, has a full grasp of all those areas. That’s why both must be fully involved.

As policy-setters and financial and legal watchdogs, board members are charged with keeping an organization on track and working to fulfill its mission. It’s an important responsibility—one to which they must be fully committed. Board members must be a central part of defining the strategic plan’s goals and laying out its structure.

Removed from day-to-day operations, however, board members may propose ambitious ideas that need to be scaled back. Staff members are likely to have a clearer sense of what is feasible.

Established in 1991, the Foundation for the Mid-South (FMS) has evolved into a kind of “hybrid foundation,” in the words of its president, George Penick. “We’d started out as an operating foundation, and later became a public charity,” he says. “Today we function as a combination of a number of philanthropic models.” The foundation’s original purpose—to build the communities, resources, and leadership of Arkansas, Louisiana, and Mississippi through change strategies based on regional cooperation—remains in place. But by 1999, a certain ambiguity had crept into the foundation’s message: Its board seemed unclear on FMS’s institutional priorities.

“We weren’t in disarray or on the brink of a crisis,” Penick says. “It was more of a tremor than an earthquake. But we needed to have everyone on the same page with regard to our mission, objectives, and management practices.” The development of a strategic plan “provided the board with an opportunity to immerse themselves in our activities and operation—to really get their hands dirty.” The board, in fact, was responsible for framing the plan and defining the foundation’s mission and goals; the staff played an essential role by restructuring programs within that framework.

### Key 7: Learn from best practices

Every organization has its own mission, client base, and operating culture. Thus, each must customize goals and action steps to its needs. A plan that’s appropriate in one setting won’t necessarily be appropriate in another, no matter how similar the organizations.

Nonetheless, it’s possible to learn from the successes, failures, and mistakes of others. Often, a solution that works for one can be successfully adapted by another.

Thus, many planning processes include a survey of comparable organizations’ experiences in dealing with similar challenges. These can be researched via interviews, database searches, and a review of relevant literature, such as journal articles and position papers.

In formulating a new strategic plan, the Knight Foundation was particularly interested in examining its evaluation and communications functions. Toward this end, they

## Components of a Strategic Plan

Strategic plans are comprehensive documents that cover all aspects of an organization’s work in an action-oriented format. Here are descriptions of a strategic plan’s key ingredients:

**A mission statement** is a brief expression of the organization’s purpose. It answers the questions “Why do we exist?” and “What, at the most basic level, do we do?”

**A vision statement** describes the organization’s desired future state. An *organizational* vision statement answers the question “Where do we want to be?” Some organizations also adopt *societal* vision statements, answering the question “What is the impact of our work?”

**A values statement** explains the principles on which the organization is built and which guide its planning, operations, and programs. It answers the question “What do we believe in?”

**Goals and objectives** express desired outcomes and may be focused on discrete parts of the organization’s programming or internal operations. While the terms are often used interchangeably, goals are generally more comprehensive or far-reaching than objectives. Progress toward achieving goals and objectives should be measurable. Framed clearly, they answer the question “What do we want to accomplish?”

**Strategies and tactics** consist of approaches or sets of activities needed to achieve goals and objectives. They answer the question “How will we actually accomplish our work?”

**An implementation plan** is an organizational “user’s guide” to the strategic plan. It spells out the cost, duration, priority order, and accountability for each strategy and tactic. The implementation plan answers the questions “What are our specific priorities?” and “How can we pursue our plan in a logical and feasible way?”

## Why Vision Matters

Your strategic plan can't succeed unless derived from a clear vision of what your organization will look like at a specific point in the future. This vision may be so self-evident that the statement virtually writes itself. But more often, the existing vision may be hazy, ambiguous, or outdated. Indeed, many organizations' effectiveness is hampered by conflicting visions or myopic visions devoid of "big picture" thinking.

An external scan and organizational assessment are prerequisites for an effective vision statement. They ground the process in reality, helping you narrow your choices or see opportunities you hadn't considered.

Be sure your vision statement is explicit, straightforward, and concise. Omit secondary points and digressions; keep the statement focused. Because of the defining nature of the vision statement, it's important to invest as much time as necessary in crystallizing ideas and articulating them on paper.

used benchmarking interviews to learn what other foundations were doing in these areas. "The interviews gave us a context from which to make decisions about the future," says Penny McPhee, the executive vice president. "We learned some new approaches that our planning committee might never have considered."

### Key 8: Establish clear priorities and an implementation plan

While missions and visions are essential, they may be seen as hollow without a description of activities needed to fulfill desired aims. A workable plan must pinpoint which objectives are most important.

The best time to make these tough choices is after key features of the mission and vision are clear. Outline the full list of priorities and, if there are many, decide which to move ahead on and which to cut back.

Once priorities are set, identify strategies to achieve the goals. Ask staff members for input about the costs of new ideas and who might take on the responsibility. Having such information lets the planning committee make further choices about sequencing and paring back (or in rare cases, stepping up) activities in the plan. It takes time to achieve this level of detail, but in the long run it's worth it.

### Key 9: Have patience

For small and mid-size organizations, strategic planning often moves forward on a speedy timetable. But for larger organizations with many constituencies, the process may advance less quickly. When an organization is making major changes and seeking extensive buy-in, the process may not be perfectly linear. As information is gathered, sifted, and analyzed, assumptions are rethought, new ideas advanced, and old ones revamped or discarded.

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The planning process at the Knight Foundation coincided with the arrival of a new president “who was eager to build a consensus and willing to take the time to do so,” says Penny McPhee. Historically, the Foundation had addressed two key areas: journalism and quality of life issues in 26 communities. “We expected to make changes, but didn’t expect to wind up with a plan that took us in such a markedly different direction,” says McPhee. While not abandoning its twin focus, the Foundation eliminated several grant programs, restructured its staff, and revamped philanthropic criteria to meet grantees’ needs in a more focused way. “We have much greater impact now,” says McPhee. “That wouldn’t have been possible had we cut corners in the planning process.”

### Key 10: Commit to change

No matter how relevant its original mission, no organization can afford to shackle itself to the same goals, programs, and operating methods year after year. As client needs, market conditions, and funding criteria change, strategies must be revisited. Sometimes all that’s needed is fine-tuning; other times, a more fundamental rethinking of goals and opportunities is required. If your organization is to remain viable, you must be prepared to change as extensively as conditions require.

Until 1994, Citizens’ Committee for Children (CCC) had never drafted a strategic plan. What the organization did have was a clear mission—“to ensure that every New York City child is healthy, housed, educated, and safe.” Keeping that mission in mind, the organization embarked on a plan that changed every aspect of its operation. Governance was closely reexamined and overhauled, board size reduced, bylaws strengthened, and term limits set for directors. The plan helped CCC double its fundraising within two years, becoming a stronger advocate for children while securing the largest funding increase for children’s mental health programs in New York history.

### A Final Word

It’s important to understand the limitations as well as the possibilities of strategic planning. A strategic plan isn’t a wish list, report card, or marketing tool. It’s not a magic bullet or a quick cure for everything that ails an organization—especially if the plan winds up on the shelf.

What a strategic plan can do is shed light on your organization’s strengths and weaknesses, letting you pinpoint opportunities and identify problems. If your board and staff are committed to it, a strategic plan can provide an invaluable blueprint for growth and revitalization, helping your organization take stock of where it is, determine where it wants to go, and chart a course to get there. ■

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## How Consultants Can Help

Many organizations have board and staff members with strategic planning experience. What they often lack are objectivity, discipline, and time. Consultants can provide invaluable assistance. Here are a few of the functions they can perform:

- **Design** a cost-effective strategic planning process that involves all key stakeholder groups.
- **Obtain** sensitive information confidentially and share it in a useful way.
- **Provide** expert advice based on their work with other organizations.
- **Facilitate** consensus among stakeholders with differing points of view.
- **Keep** planning committees on track and on schedule.
- **Help organize** seemingly diffuse or contradictory thoughts and approaches into a sound strategic plan.

What consultants can’t do is take full responsibility for developing the plan or determine an organization’s mission, vision, goals, or activities. Nor should consultants be expected to explain the value of planning to an organization’s constituents or generate enthusiasm for new directions. It’s the consultant’s job to furnish information when needed and to focus on process. This ensures that the plan reflects the interests of people who will be instrumental in helping the organization thrive.