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## STRATEGIC PLANNING GUIDE

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### Overview of Strategic Planning

#### *What is strategic planning?*

Strategic planning done well is a valuable tool. Its main purpose is to help an organization do a better job - to focus its energy, to ensure that members of the organization are working toward the same goals, to assess and adjust the organization's direction in response to a changing environment. Because it is impossible to do everything that needs to be done in this world, strategic planning presumes that some decisions and actions are more important than others. The plan is ultimately no more, and no less, than a set of decisions about what to do, why to do it, and how to do it. The strategy lies in making sometimes complex or difficult decisions about what is most important for achieving organizational success.

Strategic planning processes can vary from formal processes that span several months and engage diverse stakeholders, to less formal, shorter-term “strategy formation” processes that establish a framework by which decisions are made and resources allocated. Regardless of the specific form a strategic planning process may take, the most important outcome is to instill strategic thinking and, by extension, strategic action, within the leadership and staff of the organization.

Below are characteristics common to most successful strategic planning efforts.

- ❖ It usually encompasses the whole organization. However, it can also focus on a single program as long as the program planning is aligned with the overall organizational mission/vision and goals.

- ❖ It is a process of setting clear direction, ensuring that all critical stakeholders understand and support the direction, and then aligning organizational efforts and resources with this direction.
- ❖ The strategic planning process incorporates critical thinking, vision, creativity, passion, action, and community-building.
- ❖ It adequately assesses the organization's internal and external environment.
- ❖ It considers how race, gender, and equity affect the organization's context, values, goals, and work.
- ❖ The process is as important as the final product. Through group assessment and conversations, the whole organization becomes grounded in an understanding of *why* you made certain choices and decisions. The plan doesn't just produce a decision to do X and not Y, but also the thinking and the trade-offs that informed those choices – so that if X does not turn out to be exactly right, or feasible, you can fall back on the *thinking* in order to adapt your path.
- ❖ Asking the right *questions* during the process is at least as important as getting good *answers*.

Identifying the right questions requires time, thought, and conversation. These are the questions can be used to guide the process, and check that you are attending to what you've identified as most important – and, they can be revised along the way. You might surface new issues that you realize are critical, or you might realize that some of the things you initially saw as critical are actually secondary. Here are some suggested prompts for identifying driving questions:

- What is the impetus for doing strategic planning?
- What questions are we trying to answer?
- Are there significant opportunities, forks in the road, or roadblocks that we're grappling with now, or that loom ahead?
- What questions are keeping us up at night?
- Fast-forward in your mind to the day when this planning process is done. What do you have sitting in front of you (literally or figuratively) that you do *not* have now? What documents, answers, clarity, agreements ...?
- For this strategic planning process to be worth the time, effort, and money, it *must* accomplish \_\_\_\_\_.

### ***Common approaches to strategic planning***

What is it that your organization needs at this point in time? While a traditional strategic plan is a three- to five-year document, not all strategic plans have to be long-term; it is possible and even valuable to do strategic plans during periods of transition or rapid change. Sometimes the organization is comfortable with its overall direction and strategies, but faces new opportunities and decisions that must be addressed and integrated.

Following are brief descriptions of different types of strategic planning efforts.

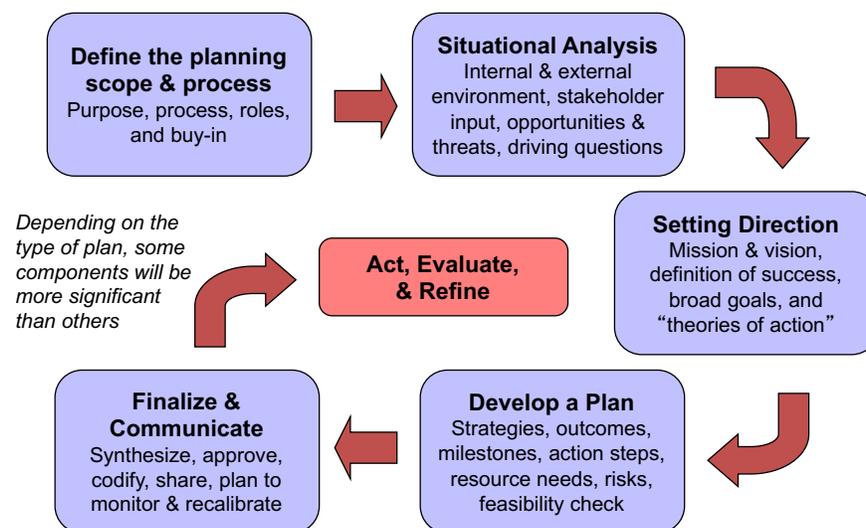
- ❖ *Long-term vision and strategy planning* – The organization is assessing its long-term (3 to 5 years) mission and vision, the strategies to get there, and the next goals and action steps it will take to advance towards that envisioned future.



- ❖ *Start-up or medium term strategy planning* – The organization is starting up or undertaking something new, and it may not be realistic to look far into the future. It is still valuable to talk about where the organization is headed, and the next steps on that path, but with more of an emphasis on medium-term steps (1 to 2 years), and clear milestones and processes for assessing progress and setting the next planning process.
- ❖ *Transitional strategic planning* – Organizations in leadership or other major transitions may need to do strategic planning to take stock and assess direction, in order to know what kind of leadership they need. This type of planning goes into less depth on action planning, because that stage of the process will await the new leader.
- ❖ *Developing a strategic framework* – The organization wants to clarify, recalibrate or recommit to its vision and mission and develop a mental framework to guide actions and resource allocation. This framework usually does not include specific action items, but rather is a guide to help leadership and staff assess and respond to opportunities and challenges.

### **Common elements of a strategic planning process**

At their core, all strategic planning efforts have common elements. However, different strategic planning efforts will incorporate some elements more deeply than others.



#### **1. Define the scope and type of strategic planning process**

- Determine why you are doing a strategic plan and what you want to accomplish as a result of this effort.
- Determine the organizational resources required to successfully undertake your planning process.
- Identify the roles and skills needed for information-gathering, analysis, facilitation, synthesizing and development of your plan.
- Decide whether you need the services of an outside consultant; identify the resources required for any outside consulting services you will use.



- Develop a strategic planning process that will work well for your organization given your planning goals, organizational capacity, resources and organizational culture.
- Identify key points where you need input or feedback from members, stakeholders, clients, community members, donors, etc.
- Clarify who will be making what kinds of decisions during the process (both substantive decisions as well as decisions about the process as it unfolds).
- Get agreement and buyoff from the organization’s leadership and board.

## **2. Situational analysis**

- Identify the key or driving questions for the process – questions or issues that must be addressed in order to plan for the future and make critical decisions.
- Conduct a scan of the environment in which your organization works.
- Review internal data from service delivery, membership, evaluations, finances, or organizational history.
- When appropriate, solicit customer or stakeholder input on your services, strengths, weaknesses, opportunities, challenges and future direction.
- Conduct comparisons to benchmarks or peer organizations.
- Identify the current and future opportunities and threats that are likely.

## **3. Setting direction**

- Clarify or develop mission, vision and values.
- Articulate and agree on the meaning of success.
- Identify broad goals for the organization.
- Clarify your “theory of change” (or theory of action) – philosophy and beliefs about cause-and-effect that inform your goals and approaches.

## **4. Develop the plan**

- Identify the most promising strategies to accomplish your organization’s goals.
- Identify expected outcomes, success indicators, and milestones for each goal.
- Identify the action steps and resources required to implement each strategy.
- Identify risks with each strategy and approaches to mitigate risks.
- Identify the financial, human and technical resources required to implement plan.
- Develop a funding/revenue strategy for securing the required resources.

## **5. Finalize, approve and communicate the plan**

- Synthesize and finalize the plan.
- Formally approve the plan.
- Create written documents as needed to convey the plan to internal and external audiences.
- Decide how the plan will be implemented, monitored and recalibrated over time.



## ***A word about mission, vision and values***

An organization's mission, vision and values form its "north star" or compass. It is important to get their essence right – and then usually more efficient to delegate the wordsmithing to a small subgroup.

- ❖ The *vision* is a statement of how the world will look different in the future if the work is successful. A good vision statement is compelling, ennobling and inspiring (it speaks to our heart), and also seems feasible (it speaks to our head).
- ❖ The *mission* is a statement of organizational purpose. A mission statement can be broad or specific, but should be a simple, enduring, representation of what the organization does or is trying to accomplish – one which is clear but allows for flexibility.
- ❖ Core or guiding *values* describe what is important about how the organization approaches its work, the values and beliefs that are most important to uphold, and the qualities the organization wants to embody or engender.

## ***Components of a written strategic plan***

The written strategic plan should be a living document, not something to sit on a shelf. That is why the process of grounding everyone in shared thinking and commitments is the most important outcome. The role of the written plan is to capture that thinking, and to assemble the information gathered during the process in one place. Here is a basic strategic plan outline that should serve most organizations' purposes.

- Executive Summary
- Background
  - Organizational history: A brief background on the organization
  - The strategic planning process: A summary of what you did and who was involved
  - Environment and context: A concise summary of the most salient things that informed your thinking and decisions
- Setting Direction
  - Mission, vision and values
  - Strategic framework and goals: A strategic framework is a concise, digestible summary of your main strategic goals and priorities
- Action Plan and Indicators of Success
- Financial Implications

## ***Common pitfalls of strategic planning***

There is no perfect time to do strategic planning. However, there are some pitfalls that can hinder success.

### **Some potential pitfalls before planning starts:**

- The board and staff leadership don't have buy-in to the process.
- Board members and the executive director have different ideas about the purposes and expectations for planning.
- Key leaders cannot work together effectively.



- The organization has a significant crisis (e.g. financial, conflict) that interferes with meaningful strategic thinking.
- The organization doesn't commit the resources or time necessary to do the type of planning process it wants.

### **Some potential pitfalls during planning:**

- Reliance on a retreat alone to constitute a plan.
- The plan is not informed by internal and external realities.
- The plan does not articulate what success will look like.
- The plan ignores dynamics of power, privilege, marginalization and equity.
- The plan is not actionable.
- The plan focuses on implementation tasks without vision, strategy and goals.
- Financial and human requirements are not realistically addressed.
- The organization can't look beyond current assumptions and approaches

### ***Getting input and feedback from stakeholders***

Often there are stakeholders who are not directly participating in the strategic decision-making process, but whose input and perspectives are useful or even critical to creating a successful plan. There are many ways to get stakeholder input – interviews, focus groups, listening campaigns, surveys – but intentionality and authenticity are critical. Think about why you want this input – Do people have information or perspectives that are missing or might be overlooked? Do you want to engage people's trust and buy-in for the process? Do you want a real-world check of the feasibility of your emerging plans? And as you think about how you might gather this input, don't ask people questions unless you are genuinely interested in the answers. There are several points in the process when you might gather this kind of input – for example:

- ❖ Deciding on the scope, goals and process for your planning.
  - Is there agreement on the mission/vision and what success looks like?
  - Is there agreement on what the purpose of any planning process should be?
  - Is there agreement on what information is needed?
- ❖ Doing a situational analysis prior to a retreat where board and staff will decide the organization's future direction.
  - What vision does board and leadership have for the organization -- is there general agreement?
  - What are the strengths and weaknesses of the organization?
  - What are key milestones/accomplishments that make up the history of the organization?
  - Analysis of key benchmarks of colleague organizations
- ❖ Getting input from stakeholders on your future direction and strategies.
  - Does the vision/future direction excite them?
  - How do they feel about the proposed strategies? What are the perceived strengths and weaknesses?
  - What are the biggest risks they see in the strategies? Ideas on how to mitigate risks?



## The role of the board in strategic planning

Ensuring that an organization undertakes effective planning is one of the basic roles of the board of directors. Typically the board's role includes:

- Ensure that planning happens at least every five years
- Ensure that the planning process is appropriate to the organization's needs, and that the process has the necessary resources
- Set mission, vision and high-level goals
- Participate in the process as a strategic thinker, provider of input, and critical reviewer
- Attend any strategic planning retreats, and come prepared for them
- Approve the strategic plan, with meaningful understanding of the strategies as well as the fiscal and organizational implications of adopting the plan
- Hold the organization accountable for implementation of the strategic plan
- Implement any portions of the strategic plan that deal with governance

Unless the organization is very small, the details of strategies, tactics, metrics and financial forecasting are generally best left to staff with a deep level of understanding of the organization and its context. Nonetheless, this does not mean that the board should "rubber-stamp" the plan. In adopting any plan, the board is committing the organization to certain decisions, and should feel confident in the soundness of those decisions. Testing and reality-checking the thinking is an important role for the board to play.

Often the board creates a strategic planning committee, which shares responsibility with the executive director for setting and guiding the process. A strategic planning committee might:

- Set the process and participate in the hiring of consultants or facilitators
- Monitor progress and process adjustments along the way
- Participate directly in research and context-setting activities (e.g. interviews, access to people or data, applying specialized skills or knowledge)
- Provide the first review of, and feedback on, products emerging from the process before they go to the full board
- Help prepare the board to participate in discussions and make good decisions, by framing key conversations and keeping the board grounded in the process and progress

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