



## Strategic Planning: The Cornerstone of Financial Stability

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Of all the actions that a Board of Directors can take to strengthen the organization they are charged with leading, strategic planning offers the most promise. Yet, planning is the most commonly overlooked solution. Many boards simply say, “We have so many problems to cope with, we just can’t afford to take the time to plan.” But, these same organizations are content to marinate in financial crisis rather than take the time to engage in a simple process that will make an organization more efficient, more effective, and more economical.

Research from the Institutes for Non-Profit Excellence shows that among nearly 500 randomly-selected boards surveyed over a 15-year period, organizations that create and use strategic plans experience an average increase of 21 percent in private sector funds raised the year following the introduction of planning and a 22 percent increase in clients served. For the typical surveyed organization with an average annual budget of \$380,000, this increase in income amounts to \$70,800 net of planning expenses and an additional 153 clients served on average.

Strategic planning need not be a complex undertaking. In fact, organizational planning often fails because the people managing it complicate the process.

## **A simple plan consists of several distinct sections including:**

**Mission.** The overall purpose of your organization and why it is in business. (Says what you do, who you serve and where.)

**Vision.** Your dream. What you want to be when you grow up organizationally—sometime into the future.

**Values.** Those behaviors that shape the character of your organization.

**Key Goal Areas.** Those major areas of concentration critical to the achievement of your vision. For example, we could have not put a person on the moon without rockets, facilities, astronauts, etc.—each a key goal area for that program.

**Goals.** Those major accomplishments over a period of time that will enable you to realize your vision. Your current year plan will have perhaps six or seven key goal areas (board development, fundraising, programs, donor base development, facilities, communications etc.) and one or two key goals for each.

**Objectives.** The interim accomplishments that taken in combination are necessary for the achievement of each goal. For example, if your goal is to win the championship, your objectives would be to win game one, game two, game three, etc.

When you set a goal or a target/objective, it must contain the following:

- a. a measurable component
- b. a defined time frame
- c. an individual who is responsible

**Barriers/Opportunities.** Include those major factors that inhibit or enhance your ability to achieve your goals or to complete your tactical targets/objectives.

If any of these elements are missing, you will likely not realize the results you expect.

**Strategies.** Strategies are the "best approaches to solving the problem." They state "how" you plan to accomplish something — not what. For example, if your goal is to "win the championship," a key strategy might be to win more games through development of a strong defensive capability.

**Action Steps/Programs.** These are the specific measurable and time-limited things you must accomplish to achieve each of your objectives. Usually, it takes a number of separate action steps to reach an objective and the accomplishment of several objectives to achieve a goal.

## **Helpful Hints**

Following are some suggestions that should be helpful in developing your plans.

### **Goals/Targets/Objectives always begin with an action verb:**

- achieve, increase, reach, sustain, eliminate, overcome, convert, etc.

### **Strategies always begin with a participle:**

- by or through, followed by a gerund ending in "ing". Examples: by creating, by removing, by providing, through a process of, etc.

### **Action Steps/Programs begin with an action verb:**

- complete, achieve, increase, reach, implement, overcome, generate, sell. Action steps also must contain an action to be taken, a time frame for completion, an element of measurement that indicates the action is complete and the name of the individual responsible for finishing the task.

At every step throughout your planning process you should ask the following five questions:

- 1 Is it in keeping with your mission?
- 2 Will it move you toward the realization of your vision?
- 3 Do you have the human resources to do it?
- 4 Can you fund it?
- 5 Can you sustain it beyond the initial grant?

If the answer to any of these questions is anything other than yes, you should reconsider.

Remember, wishing consumes as much energy as planning.

And never lose sight of the ancient Japanese Proverb that says, "When you are thirsty, it's already too late to dig the well."

**By William Bennington**