

STRATEGIC PLANNING MANUAL

Developed by:

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Strategic Planning in Nonprofit and Public Sector Organizations

Description of Planning Model

STEPS OF THE STRATEGIC PLANNING PROCESS

STEP 1: INFORMATION GATHERING AND ANALYSIS

***1a -EXTERNAL
ASSESSMENT***

***1b - INTERNAL
ASSESSMENT***

***1c - MARKET
ASSESSMENT***

STEP 2: IDENTIFICATION OF CRITICAL ISSUES FACING THE ORGANIZATION

STEP 3: DEVELOPMENT OF A STRATEGIC VISION STATEMENT THAT SETS FUTURE DIRECTION FOR THE AGENCY

STEP 4: MISSION STATEMENT REVIEW/REVISION

STEP 5: DEVELOPMENT OF STRATEGIC GOALS

STEP 6: FORMULATION OF STRATEGIES FOR EACH GOAL

STEP 7: PREPARATION FOR OPERATIONAL PLANNING BASED ON THE STRATEGIC PLAN (DEVELOPING ANNUAL OBJECTIVES)

Steps of the Strategic Planning Process

Now let's talk about the main steps of the strategic planning process in more detail.

Step 1 - Gathering and Analyzing Information

The first step is Gathering and Analyzing Information. This step consists of three components: an external assessment, a market or constituent assessment and an internal assessment.

External Assessment

The purpose of the external assessment is to identify and assess changes and trends in the world around the nonprofit likely to have a significant impact on it over the next 5-10 years. We look at political, economic, technological, social, lifestyle, demographic, competitive, regulatory and broad philanthropic trends. We then determine which changes are opportunities for us (for example, opportunities to grow) and which could be threats to us in some way (trends that can keep us from being successful). Finally we identify implications for selected changes and trends -- ways the nonprofit might respond to the opportunities and threats we identify. At this early stage of the planning process, saying that something is an implication does not require the nonprofit to adopt that course of action. The external assessment is sometimes referred to as the "environmental scan."

Here is an example of external assessment findings for a nonprofit involved in education reform: One trend was increased interest in supporting school reform and change efforts by foundations serving needs of low-income children and families. The implication: Tap this new source of funding for the nonprofit. Another trend was Increased poverty impedes educational achievement. The implication: promote family support programs at schools to address needs of low-income families. A third trend was the proliferation of web-based learning resources. The implication: Increase Internet access for educators, students and parents.

Market Assessment

The next component of the information gathering and analysis step is the constituent or market assessment. The purpose of the constituent assessment is to identify and assess changes in the needs and perceptions of the nonprofit's markets and constituencies. For most nonprofits, these include customers, volunteers, funders, donors, volunteers, paid staff, board directors, collaborators, and competitors.

The market assessment attempts to answer the following questions:

- Who are the nonprofit's key markets and constituents?
- What are the current needs, perceptions, and service expectations of each market?
- What are the emerging market trends?
- What are the implications for the nonprofit -- how should the nonprofit respond to these changes and trends among its constituents and markets?

Examples of market assessment findings from our education reform organization included:

- 62% of parents of children enrolled in local schools desire before and after school care for their children.
- Two-thirds of the volunteers say they would be willing to get involved in fund-raising for the nonprofit but would require training.

Internal Assessment

The other component of the information gathering and analysis step is the internal assessment. The purpose of the internal assessment is to assess internal structure, process and operations of the nonprofit and based on this assessment, to pinpoint strengths and weaknesses. Areas examined include nonprofit personnel, both paid and volunteer, fund-raising, physical facilities, equipment, use of technology, location, financial condition, management practices, board governance, programs, products and services, market position, and other factors.

From an affordable housing development organization, the following internal strengths were highlighted:

- Excellent staff -- competent and experienced.
- Availability of unrestricted working funds.
- Effective in delivering technical assistance to nonprofits.
- Track record -- we are known with a good reputation.

The following internal weaknesses were identified:

- Current financing programs represent an internal strain on the organization.
- Lack of strategic focus.
- Current sources of revenue limit what we can consider

Step 2 - Identification Of Critical Strategic Issues, Choices And Challenges

The second step in the planning process is identification of critical strategic issues, choices and challenges facing the nonprofit. Critical issues are fundamental policy or program concerns that define the most important situations and choices a nonprofit faces now and in the future. Critical issues can reflect long-standing problems in the nonprofit, the community served or recent events that are anticipated to have a significant impact on the nonprofit and/or community served. Critical issues can also reflect major shifts in thinking that challenge "business as usual." The selection of issues is important because it determines range of decisions the nonprofit will consider in the future.

In some instances, the nonprofit is already aware of the critical issues that the strategic planning process must help it address. In most situations, the planning process participants discern critical strategic issues as they work on the external, market and internal assessments.

In developing the actual wording of the critical issue statements, it's helpful to reflect on the following information drawn from the earlier external, market and internal assessments:

The external changes and trends having the greatest positive and/or negative impact on the nonprofit . . . Major changes and trends in the needs, perceptions and service expectations of our markets and constituencies . . . Internal strengths and weaknesses of the nonprofit that will seem to have an impact on the nonprofit's future success . . .

Here are some examples of critical issues from an affordable housing development organization:

- What should the balance be between the Affordable Housing Alliance's role as an independent developer versus a provider of technical assistance on housing development?
- How should the Affordable Housing Alliance diversify its revenue base?
- Should the Affordable Housing Alliance expand its advocacy and education roles in support of affordable housing?
- How can we forge strategic alliances with the private sector to advance the Affordable Housing Alliance's mission?

Step 3 - Development Of A Strategic Vision Statement

The third step in the planning process is development of a strategic vision statement. The vision statement describes what we want the nonprofit to look like in ideal terms in the future - the results we will be achieving and characteristics the nonprofit will need to possess in order to achieve those results. The strategic vision statement provides direction and inspiration for goal setting.

Through the vision statement, the nonprofit describes how it intends to respond to the major challenges expressed in the form of critical strategic issues.

(PLEASE NOTE: Although the words "mission" and "vision" are used interchangeably, they are distinct in an important way: Mission describes "fundamental purpose"; Vision conveys a sense of "future direction."

Here is an example of a vision statement from the Affordable Housing Alliance:

The Alliance is a recognized statewide and national leader in the development of affordable housing opportunities. We are a bridge linking public, private and nonprofit resources. Success in achieving our agenda is built on financial strength and strong coalitions.

Step 4 - Development Of A Mission Statement

The fourth step in the planning process is development of a mission statement. The mission statement is a broad description of what we do, with/for whom we do it, our distinctive competence, and WHY we do it (our ultimate end).

If a mission statement already exists, the focus of this step is on reviewing it in light of the emerging vision statement and if necessary revising the language. Here are some questions that can

aid in the review of an already-existing mission statement:

Questions for a Critical Review of an Existing Mission

1. Is the mission statement clear and on target in today's operating environment?
2. Do you have any specific questions or concerns with respect to the mission statement?
3. Does the mission statement duplicate the mission of any other school? If so, what should we do about it?
4. Considering the answers to these questions, how, if at all, should the mission statement be changed?

Here is an example of a mission statement from the Affordable Housing Alliance:

We provide leadership to expand access to housing opportunities through partnerships among the public, nonprofit and private sectors to create and sustain strong neighborhoods and communities.

Step 5 - Development Of Strategic Goal Statements

The fifth step in the planning process is development of strategic goal statements consistent with the vision statement. Strategic goals are broad statements of what the nonprofit hopes to achieve in the next 3 years. Goals focus on outcomes or results and are qualitative in nature. Often goal statements flow from some of the critical issue statements developed earlier in the planning process.

Here are some examples of goals for the Affordable Housing Alliance:

- Achieve a balance between the Alliance's role as an independent developer and its role as provider of technical assistance on housing development.
- Expand and diversify our revenue base in order to support anticipated growth.
- Forge strategic alliances with the private sector to advance the Alliance's mission.

Step 6 - Development Of Strategies For Each Goal

The sixth step in the planning process is development of strategies for each goal. Strategies are statements of major approach or method for attaining goals and resolving specific issues. Ideas for strategy emerge from the earlier internal, external and market assessments, -- especially the strengths and weaknesses identified in the internal assessment as well as the implications statements developed as part of the market and external assessments. A strategy is judged potentially effective if it does one or more of the following:

- Takes advantage of environmental opportunities
- Defends against environmental threats
- Leverages organizational competencies
- Corrects organizational shortcomings
- Offers some basis for future competitive advantage
- Counteracts forces eroding current competitive position

Here are examples of strategies for our sample goal: Expand and diversify our revenue base in order

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to support anticipated growth.

- The first strategy; Generate revenue from special events.
- The second strategy: Increase funding from public sources.
- The third strategy: Expand individual giving from major donors.

Step 7 - Development Of Annual Objectives

The seventh step is development of annual objectives. The purpose of this step is to formulate objectives consistent with the goals and strategies of the strategic plan. Objectives are specific, concrete, measurable statements of what will be done to achieve a goal generally within a one-year time frame. Objectives include answers to the following questions: Who, will accomplish what, by when, and how will we measure the outcomes or results of the activity. Put another way, objectives should be "SMART" --**S**pecific, **M**easurable, **A**mbitious but **A**ttainable, **R**elevant (contributing to the nonprofit's vision), and **T**ime-based (we'll do X over the next Y years).

Strictly speaking, annual objectives are not part of the Strategic Plan of an organization. Objectives are the core of the nonprofit's Annual Operational Plan that is based on the strategic plan itself. The planning process will also address the costs associated with implementing objectives. This information will be utilized in the development of budgets.

Here are some examples of objectives for our sample goal and strategy:

- Again, the sample goal is: Expand and diversify the revenue base in order to support anticipated growth.
- The sample strategy: Generate revenue from special events.
- A sample objective: The Board will establish a Fund Development Committee consisting of at least 8 board and non-board directors and provide training in special events fund raising by July of year 1 of the strategic plan.
- And other sample objective: The Fund Development Committee will generate at least \$150,000 from no more than 3 special events by July of year 2 of the strategic plan.
- It's helpful to think of strategic planning as a journey. Imagine your organization as a sailboat at sea. . . at the mercy of ever-changing conditions - ocean currents and winds. Now think of planning as a journey through sometimes-rough waters to a destination we have determined. Strategic Planning is how we determine the destination and how we get there.

If planning is a journey, the first two steps of the process - information gathering and analysis and identifying strategic issues tell us where we are. The next step - Developing a Vision - helps us determine the destination. And Mission - reminds us why we're on the journey in the first place. We get to the vision through the accomplishment of goals. We accomplish our goals by means of the strategies we devise for each goal. Finally, we translate goals and strategies into concrete action through development of objectives.

If you would like additional information about the steps of the strategic planning process, contact us

at www.createthefuture.com

Effective Strategic Planning Practice

Strategic planning in nonprofits is most effective when the following elements are present:

- **First, establishment of a strategic planning committee.** If the nonprofit board is serious about strategic planning (and it needs to be!), it will establish a strategic planning committee. Here is a sample description for a board strategic planning committee job description. ([hyperlink](#))
- **Second, there needs to be a thorough and shared understanding of strategic planning.** The term “strategic planning” is sometimes used to describe a range of planning activities. It is important that the process is looked upon in the same way by board, staff and other participants in the nonprofit strategic planning process.
- **There also needs to be agreement on outcomes.** While it is true that the expected outcome of most strategic planning processes is a strategic plan document, it is also important to discuss and eventually agree upon other expected outcomes. For example there may be a specific critical issue that the board wants to focus on by means of strategic planning. Typically, planning outcomes will include some or all of the following:
 - Board leadership and management staff will have a thorough understanding of the critical issues and choices facing the organization over the next 5 years.
 - A strategic plan document including a mission statement, strategic vision statement, goals and strategies will be produced. The plan will give special attention to organizational structures that will best support the overall strategic plan.
 - The strategic plan will have a day-to-day relevance on management and governance; and
 - There will be enthusiasm and support for the strategic plan at all levels of the organization.
- **There needs to be real commitment to the process on the part of leadership.** While there is no one right way to do strategic planning, whatever approach the board chooses will involve time, energy and careful thinking. People will not commit these personal and organizational resources if they are not convinced that the planning process is worth the effort. Sometimes the start of strategic planning process may need to be postponed until leadership within the board and staff have become convinced of the importance of the process.
- **There also needs to be involvement of many.** In order to be effective, strategic planning must involve individuals representing all constituencies of the nonprofit: staff, constituents, funders and donors, as well as other key community supporters.

- **Finally, the strategic plan needs to be translated into concrete detailed plans of action.** Involvement in an isolated strategic planning exercise or a one shot planning retreat is not sufficient. Strategic planning needs to lead to specific objectives which include clear evaluation measures, set on an annual basis by staff, the board of directors and the board's own committees. This commitment to implementation will also help to ensure that the majority of the board's time and energy is in alignment with the mission, vision, and goals and strategies contained in the strategic plan.

These foregoing practices will help to assure that the strategic plan does not end up on a shelf. To avoid this, look for other ways to keep your strategic plan visible. Once the strategic plan has been developed, nonprofit leaders need to take steps ensure that the plan becomes a guiding force for the nonprofit – a living strategic plan. United Way of America offers the following techniques for publicizing your strategic plan and maintaining enthusiastic support for it among key internal and external constituents of the nonprofit.

1. Develop a recognizable theme that signifies the plan's essential thrust. This may be graphically represented by a logo or some other visually attractive means. One nonprofit working with at-risk youth adopted the theme “No Excuses!”
2. Publicize brief summaries of the plan and how your nonprofit will use it.
3. Look for opportunities to refer to the strategic plan in meetings, newsletters, websites, or news releases.
4. Create a slide or video show summarizing the plan and its proposed implementation.
5. Seek major media coverage when important milestones in the plan are reached. A press conference with graphics and charts summarizing the plan can be effective.
6. Use the strategic plan as a living document at nonprofit board meetings. Keep it visible and refer to it regularly.
7. Use retreats and mini-conferences to continue to build buy-in among other agencies and community groups. Make sure that this is an interactive process, one that **listens** as well as talks.
8. Create a speaker's bureau to take the strategic plan to specific target groups: the county board, the city council, parent groups, the chamber of commerce, community and business leaders, and nonprofit agencies, for example.
9. Create poster-size versions of your mission and strategic vision statement and display them throughout the facilities – in meeting rooms, at the front door, etc.

PLANNING TERMINOLOGY

MISSION----->
"Forever"

STRATEGIC VISION ----->
5-10 years out

GOALS ----->
3-5 years

STRATEGIES ----->
1-5 years

OBJECTIVES ----->
1 year

MISSION: *Broad description of what we do, with/for whom we do it, our distinctive competence, and WHY we do it.*

STRATEGIC VISION: *Describes what we want the organization to look like in ideal terms in the future - the results we will be achieving and characteristics the organization will need to possess in order to achieve those results. The strategic vision statement provides direction and inspiration for organizational goal setting.*

GOALS: *Broad statements of what the organization hopes to achieve in the next 3-5 years. Goals focus on outcomes or results and are qualitative in nature.*

STRATEGIES: *Statements of major approach or method (the means) for attaining broad goals and resolving specific issues.*

OBJECTIVES: *Specific, concrete, measurable statements of what will be done to achieve a goal generally within a one-year time frame.*

This chart illustrates the flow from "Critical Issues" to "Vision" to

"Goals" to "Strategies" as a logical progression of thought in the strategic planning process.

PLANNING LEVELS:

CRITICAL ISSUE:

Fundamental policy or program concerns that define the most important situations and choices an organization faces now and in the future. Critical issues can reflect long-standing problems in the organization, the community served or recent events that are anticipated to have a significant impact on the organization and/or community served.

STRATEGIC VISION: 5-10 years out

Describes what we want the organization to look like in ideal terms in the future - the results we will be achieving and characteristics the organization will need to possess in order to achieve those results.

GOALS: 3-5 years out

Broad statements of what the organization hopes to achieve in the next 3 years. Goals focus on outcomes or results and are qualitative in nature.

STRATEGIES: 1-5 years out

Statements of major approach or method for attaining goals and resolving specific issues.

OBJECTIVES: 1 year out

Specific, concrete, measurable statements of what will be done to achieve a goal generally within a one year time-frame.

EXAMPLES OF EACH LEVEL:

How do we expand our funding base to keep up with present and future needs?

We will have an expanded funding base that sustains current operations and supports anticipated program growth. (Note: one element of a vision statement)

To expand the agency funding base to support anticipated growth in our programs and services.

- *Generate more revenue from programs.*
- *Expand individual annual campaign giving.*
- *Increase corporate giving.*

The Program Services Department will generate at least \$285,000 in revenue from program service fees by December 31, 2003.

Planning To Plan

1. *How will the board and key staff be oriented to the process?*
2. *Is there organizational readiness for strategic planning?*
3. *How much commitment is there to the process?*
4. *What do you expect to accomplish?*
5. *How long will it take?*
6. *Who, beyond board and staff, should be involved?*
7. *What do you do with managers and other key individuals who are not part of the formal strategic planning committee?*
8. *How will we encourage boldness, risk-taking and creativity on the part of planning participants?*
9. *Where should the planning be done?*
10. *Should a consultant be used for all or part of the process?*

(Adapted from an article by Tim Nolan, University Associates)

Sample Proposal for Strategic Planning Assistance to: ABC, Inc.

PROPOSED PLANNING OUTCOMES

- Board leadership and management staff will have a thorough understanding of the critical issues and choices facing ABC, Inc. through the year 2005.
- A strategic plan document including a mission statement, strategic vision statement, goals and strategies will be produced. The plan will give special attention to organizational structure that will best support the overall strategic plan. The document will also include a blueprint for strategic alliance building in support of the overall strategic plan.
- An Evaluation Framework consisting of critical success factors for each goal statement and performance measures for strategies selected for first year operational planning will be developed.
- The organization's mission and strategic vision will have a day-to-day relevance on management and governance.
- There will be enthusiasm and support for the strategic plan at all levels of the organization.

PROPOSED PLANNING CALENDAR

A proposed timetable outlines the specific steps of the planning process. Also included is a reference to the person and/or group responsible for each step. The actual planning calendar will be determined by the ABC, Inc. Strategic Planning Committee.

1. PREPARATION FOR PLANNING

- a. **1st FORMAL PLANNING SESSION:** Review the planning process, finalize strategies for information gathering and analysis, make needed adjustments in timetable, and secure agreements. (**Responsible:** Strategic Planning Committee)
- b. Consider expansion of the Strategic Planning Committee. (**Responsible:** Strategic Planning Committee)
- c. Orient the board and staff to the strategic planning process. (**Responsible:** Strategic Planning Committee, Staff, Consultants)

2. INFORMATION GATHERING AND ASSESSMENT

- a. Gather information for planning process by means of assessment worksheets distributed to board and staff members as well as key informant interviewing. Prepare report summaries: Internal Assessment (organizational strengths and weaknesses); External Assessment (national, state and local trends); Market Assessment (current and emerging constituent needs, competitive and collaborative environment). (**Responsible:** Strategic Planning Committee, Staff, Consultant)

3. SITUATION ANALYSIS

- a. **2nd FORMAL PLANNING SESSION:** Review summaries of internal, external and market assessments; identify critical issues for the future. (**Responsible:** Strategic Planning Committee)
- b. Get feedback on critical issue statements from other stakeholders. (**Responsible:** Strategic Planning Committee, Staff, Consultant)

4. DEVELOPMENT OF VISION AND MISSION STATEMENTS

- a. **3rd FORMAL PLANNING SESSION:** All day planning retreat. Develop first draft of a strategic vision statement that sets future direction, and a mission statement that expresses fundamental purpose. (**Responsible:** Strategic Planning Committee)

5. COMPLETION OF FIRST DRAFT STRATEGIC PLAN

- a. **4th FORMAL PLANNING SESSION:** Review draft vision statement developed at Board retreat, develop first draft goals and strategies. (**Responsible:** Strategic Planning Committee)

6. BOARD, STAKEHOLDER AND STAFF REVIEW OF FIRST DRAFT

- a. Distribute first draft of strategic plan for review by board members, key stakeholders and staff as appropriate. Solicit reactions and suggested revisions for draft plan. (**Responsible:** Staff and Consultant)
- b. **5th FORMAL PLANNING SESSION:** Strategic Planning Committee reviews comments and make needed revisions; develops strategic plan evaluation framework for use in development of operational plans. (**Responsible:** Strategic Planning Committee, Staff)

7. BOARD REVIEW AND APPROVAL OF STRATEGIC PLAN

- a. **6th FORMAL PLANNING SESSION:** Final board meeting to review/approve strategic plan . (**Responsible:** Strategic Planning Committee)

8. DEVELOPMENT OF YEAR 1 OPERATIONAL PLANNING FRAMEWORK

- a. **7th FORMAL PLANNING SESSION(S):** After the board approves the strategic plan, staff and board committees will review evaluation framework for strategic plan and develop operational planning framework. (**Responsible:** Director, Board Committee Leadership, Staff and Consultant)

Strategic Planning Worksheets

Information Gathering/Analysis Timetable

Review of Current Strategic Plan

- ___ Review of Strategic Plan progress to date: Notable accomplishments, Challenges and special problems thus far
- ___ Factors supporting implementation; Factors impeding implementation
- ___ What did we learn about the organization and the community we serve as a result of our efforts to implement our strategic plan?

Key Informant Interviews

- ___ Finalize list of key informant to interview
- ___ Review assignments of planning committee members and staff who will do the key informant interviews
- ___ Mail out cover letter to key informants
- ___ Conduct interviews and return interview forms to Office
- ___ Complete summary report of interview findings
- ___ Mail out summary report to members 10 days before 1st Planning Session.

Assessment worksheets

- ___ Mail out assessment worksheets and cover memo to board and staff
- ___ Deadline for returning surveys (Reminder calls on [date])
- ___ Complete assessment summary
- ___ Mail out assessment summary to members 10 days before 1st Planning Session

Other resources

- ___ Internet
- ___ National and regional network sources
- ___ Others

MEMORANDUM

DATE:**TO:** Board and Staff Members**FROM:** Frank Martinelli, Planning Facilitator, The Center for Public Skills Training**RE:** Preparation for Strategic Planning Sessions

As you may know, ABC, Inc. has decided to engage in a strategic planning process to chart the future course of the organization. Because we want the process to be as inclusive as possible, as a first step we need the benefit of your thinking on a few important questions. **Complete the enclosed worksheets and mail or fax them to the office no later than [date] – Mailing address:. FAX # xxx-xxx.**

Everyone involved with ABC, Inc. has a different set of skills, expertise and familiarity with the operation of the organization and the needs and trends within the community. Please answer the questions based on your knowledge and familiarity with ABC, Inc. and the constituency we serve. All responses will be helpful as we undertake this important process. There are four worksheets to fill out. They are described below:

- Part 1:** First, we want you to share your current understanding of the mission and values of the organization.
- Part 2:** Next, we'd like you to think about internal strengths and weaknesses of the organization.
- Part 3:** Then, we'd like you to reflect on recent and future external changes and trends likely to have a significant impact on ABC, Inc. over next 5-10 years. Consider organizational, political, economic, technological, social, demographic, technological, and competitive trends. Then identify possible responses to the changes and trends -- ways ABC, Inc. might respond to them. ***Here is an example of a trend and a possible response to it:***

<u>TREND</u>	<u>POSSIBLE RESPONSE</u>
1. Continued increase in use of emerging telecommunications technologies.	1. Develop plans for appropriate use of emerging technologies to enhance communication and increase program impact.

- Part 4:** Finally, we'd like you to think about the changing needs of our various markets and the service expectations they have of the ABC.

If you have any questions, please call me at 555/555-1212. I look forward to working with you during the next several months.

Your Name (Optional): _____

PART 1: REVIEW OF MISSION & VALUES

INSTRUCTIONS: As we begin the strategic planning process, we want to assess your current understanding of the mission and organizational values of ABC Inc. Please take a few minutes to answer the following questions. Responses will be compiled for review as part of the planning process.

- MISSION: The MISSION describes what we do, with/for whom we do it, WHY we do it, and our special competence. MISSION describes general purpose, "why we exist".**

AS YOU PRESENTLY UNDERSTAND IT, WHAT DO YOU SEE AS THE MISSION OF ABC, Inc.?

- ORGANIZATIONAL VALUES: A VALUE is a standard, principle, or quality that is considered worthwhile in and of itself. We seek to express our values by what we do in everyday life. Core organizational values describe how an organization wants to act on a day-to-day basis. Some examples: "Teamwork", "Caring", "Quality service", "Innovation". LIST THE THREE MOST IMPORTANT ORGANIZATIONAL VALUES OF ABC, Inc. (WHAT YOU THINK THE VALUES SHOULD BE):**

1. _____
2. _____
3. _____

PART 2: INTERNAL STRENGTHS & WEAKNESSES

INSTRUCTIONS: As we begin our planning process, we also need to identify internal strengths and weaknesses of ABC, Inc. Think about the organizational structure, financial management, board and leadership development, facilities and equipment, use of technology, financial stability, office, special programs and services, public relations efforts, community image, etc. Then list the three strengths and three weaknesses you feel are most important to consider in planning for the future of the organization:

OUR 3 GREATEST STRENGTHS:

1.	
2.	
3.	

OUR 3 MOST CRITICAL WEAKNESSES:

1.	
2.	
3.	

PLEASE NOTE: Don't confuse "external changes and trends" with "strengths and weaknesses". An Internal Strength or Weakness is something over which your organization has direct control (location, staff, hours, policies, procedures, etc.). If you can do something about it, it is an internal strength or weakness. If it is not something over which your organization has control -- if you can't do something about it -- it is an External Change or Trend (population shifts, the economy, people's value system, competition, employment levels, women returning to the work force, etc.).

PART 3: EXTERNAL CHANGES AND TRENDS

INSTRUCTIONS: In the left column below, list the recent and future external trends and changes that you think will have the greatest impact on ABC, Inc. over the next 5-10 years. In the right column, list possible organizational responses - what the organization could do over the next three to five years to take full advantage of the external changes and trends? Consider actions for programs/services, finances, organizational structure, etc. *(Please refer to the sample trend and organizational response in the cover memo.)*

<u>EXTERNAL CHANGES AND TRENDS THAT WILL HAVE FUTURE IMPACT</u>	<u>HOW ABC, INC. COULD RESPOND TO SELECTED TRENDS</u>
1.	1.
2.	2.
3.	3.
4.	4.
5.	5.

PART 4: MARKET ASSESSMENT

INSTRUCTIONS: As part of the preparation for future planning meetings, we also need to analyze the changing needs and service expectations of our constituents. *Complete these questions to the best of your knowledge:*

<p>What do our constituents think of ABC, Inc. (i.e., What is their perception or image of ABC, Inc.)?</p> <ul style="list-style-type: none">• Insert key market - to be determined by the planning team: <hr/><hr/>• Insert key market - to be determined by the planning team: <hr/><hr/>• Insert key market - to be determined by the planning team: <hr/><hr/>• Insert key market - to be determined by the planning team: <hr/><hr/>• Insert key market - to be determined by the planning team: <hr/><hr/>
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What are the most important future needs and service expectations of ABC, Inc. on the part of our constituents?

- **Insert key market - to be determined by the planning team:**

1. _____

2. _____

- **Insert key market - to be determined by the planning team:**

1. _____

2. _____

- **Insert key market - to be determined by the planning team:**

1. _____

2. _____

- **Insert key market - to be determined by the planning team:**

1. _____

2. _____

- **Insert key market - to be determined by the planning team:**

1. _____

2. _____

For the new needs and service expectations of ABC, Inc. likely to emerge among constituents over the next 3-5 years which you identified in the previous section, what other organizations or entities are positioned to meet these constituent needs?	
Future Need/service Expectation	Organization or Entity Positioned to Meet This Need in the Future
1.	
2.	
3.	
4.	
5.	
6.	
7.	

Cover Letter for Mailing to Key Informants

[date]

Dear _____,

ABC, Inc. is currently engaged in a strategic planning process to develop future goals and strategies for the organization. In the current planning process, we are attempting to forecast future changes and trends which may affect ABC, Inc. and the people we serve. Part of this effort is a series of interviews with persons possessing special expertise such as you.

We would like to interview you utilizing the enclosed questions. Please give them some advance thought. You may complete the survey and fax it back anytime before [date]. Our fax number is xxx-xxxx. If we do not hear from you by [date], a member of our planning committee will call you to conduct the survey by phone.

When the survey is completed, we will be happy to share a summary with you. In the meantime, if you have any questions, contact _____, Executive Director at xxx-xxxx.

Thank you in advance for your assistance in this important effort.

Sincerely,

_____, Chair
Strategic Planning Committee
ABC, Inc.

ABC, Inc. Strategic Planning Process

Survey Questions

1. What are the changes and trends that will have the greatest impact on ABC, Inc. over the next 5 years? In the left column below, list the 3 most important external changes and trends. In the right column, list possible responses - what we could do over the next three to five years to take full advantage of the external changes and trends?

<u>External Changes and Trends That Will Have Greatest Impact on the ABC, Inc.</u>	<u>How We Could Respond to Selected Changes and Trends</u>
1	1
2	2
3	3

2. Based on your knowledge of ABC, Inc. and its programs, what is your perception or image of the organization?

CRITICAL ISSUES WORKSHEET

Critical issues are fundamental policy or program concerns that define the most important situations and choices an organization faces now and in the future. Critical issues can reflect:

- Long-standing problems in the organization, members served or recent events which are anticipated to have a significant impact on the organization and/or people served;
- Impediments that must be overcome in order for the organization to meet its goals – i.e., problems to be solved; or,
- Watersheds/major shifts in thinking that can change the direction of an organization or the nature of its environment and challenge business as usual.

Generally these are issues that cannot be resolved through a “quick fix”. The selection of issues is important because it determines the range of decisions and strategies we will consider in the future.

Your Task:

- ❖ *Reflect on the following -- Major external changes/ trends having a positive and/or negative impact on the organization and the people served . . . Critical internal strengths and weaknesses of the organization that will have an impact on our future success . . . Major service expectations and perceptions of key constituencies or markets . . .*
- ❖ *List what you believe are the 1-3 most critical issues facing the organization over the next 3-5 years. Try to word your statements in the form of questions:*

1.
2.
3.

DEVELOPING A STRATEGIC VISION WORKSHEET

A vision is an image or description of the organization we aspire to become in the future. It answers the question “*If we could create the organization of our dreams and have the impact we most desire, what would it look like in the Year 2003?*”

The vision focuses on what we intend to BE – our hoped for destination, not what we will be DOING in the Year 2003. It should also indicate in what significant ways we will be different from what we are today.

If the critical strategic issues represent our effort to express the big questions, choices and challenges facing the organization in the future, the vision is our attempt to communicate the big answers to these big questions.

Your Task:

First, review the following information:

- Key factors in the planning assessment summary - internal strengths & weaknesses, external changes & trends, emerging needs & service expectations of our constituents.
- Critical strategic issues facing the organization

Next, develop a list of core elements or components of a vision for the organization. “*If we could create the organization of our dreams and have the impact we most desire, what would it look like in the Year 2003?*” Use the two sets of questions below to stimulate your thinking.

- **Impact/Results:** What impact and results do we want to be achieving with our programs and activities in the Year 2003? How many and what kinds of people and groups will we be involving/serving and how? What impact will we have on the community, state, region? What will success look like for us?
- **Ideal Characteristics:** What will the organization need to look like in ideal terms to deliver the results and impact listed first? How will the organization act? What will its reputation be? Additional things to consider in listing elements of the vision statement: Organization size (revenues, facilities, paid staff, and volunteers); Nature and scope of programs and services; Member base; Market position/reputation; Use of technology; Management capabilities; Organizational structure.

- **Now Dream! List the core vision elements that are most inspiring to you:**

QUALITIES OF A GOOD VISION STATEMENT

- Presents where we want to go.
- Easy to read and understand.
- Captures the desired spirit of an organization.
- Dynamically incomplete so people can fill in the pieces.
- Compact -- can be used to guide decision-making.
- Gets people's attention.
- Describes a preferred and meaningful future state.
- Can be felt/experienced/gives people goose bumps when they hear it.
- Gives people a better understanding of how their individual purpose could be realized in the group.
- Provides a motivating force, even in hard times.
- Is perceived as achievable and at the same time is challenging and compelling, stretching us beyond what is comfortable.

From Organizational Vision, Values and Mission by Cynthia D. Scott

SAMPLE VISION STATEMENTS

Milwaukee Public Library

The Milwaukee Public Library is Everyperson's gateway to an expanding world of information. Providing the best in library service, we guide Milwaukeeans in their pursuit of knowledge, enjoyment, and life-long learning, ultimately enriching lives and our community as a whole.

Historic Third Ward Association

The Historic Third Ward's unique attributes and resources will be enhanced and developed to create a self-sustaining environment in which to live, work and play, so distinct in character that it is recognized as both a place and a state of mind.

YWCA of Greater Milwaukee

Creating momentum for real change leading to individual and community prosperity and the elimination of racism: By transforming systems to promote equity in our society; Through social and economic growth; By providing people with more control and options in their lives

Wisconsin Leadership Institute

The Wisconsin Leadership Institute will be a primary resource for encouraging, supporting and connecting aspiring leaders so they grow in capacity to lead and serve.

Elvehjem Museum of Art

The Elvehjem Museum of Art will be a leader among university art museums. Supported by the resources of the Kohler Art Library, it will be a dynamic center for research, education and experimentation in the visual arts.

Wisconsin Division of Community Development

We will be a catalyst for joint community development efforts at the local, regional, tribal and state levels, a clearinghouse for community development information and resources and a catalyst for local capacity building; and a recognized leader in providing technical assistance.

Center for the Deaf and Hard of Hearing

The Center for the Deaf and Hard of Hearing will be the recognized statewide leader providing a continuum of dynamic and innovative programs for persons of all ages who are deaf or hard of hearing.

Quality Education Commission

We provide vital leadership in forging a deep community commitment that results in: Dramatic improvements in student achievement; High levels of cooperation and satisfaction among all stakeholders; Ever-increasing enthusiasm, pride and support for public education in Milwaukee.

LindenGrove, Inc.

We will be a proactive leader in the provision of health and senior residential services. As a respected employer of first choice, we will provide high quality, diversified services in an environment that exceeds customer expectations. Our industry leadership and financial strength will assure an atmosphere that maximizes our clients' highest potential.

Bowling, Inc.

More people, bowling more often, having more fun.

DEVELOPING A MISSION STATEMENT

The mission statement is a broad description of what we do, with/for whom we do it, our distinctive competence in doing it, and WHY we do it (our ultimate end).

An effective mission statement addresses the following points:

- Broad description of what we do/are.
- With/for whom we do it.
- Our distinctive competence. (How we do it "differently", "better", "more effectively" than others)
- WHY we do it (Our ultimate end)

CRITICAL REVIEW OF THE MISSION

If a mission statement already exists, the focus of this step is on reviewing it in light of the emerging vision statement and if necessary revising the language. Here are some questions that can aid in the review of an already-existing mission statement:

1. Is the mission statement clear and on target in today's operating environment? Does it address the key following key points: Broad description of what we do/are; With/for whom we do it; Our distinctive competence; WHY we do it (Our ultimate end)
2. Do you have any specific questions or concerns with respect to the mission statement?
3. Does the mission statement duplicate the mission of any other organization? If so, what should we do about it?
4. Considering the answers to these questions, how, if at all, should the mission statement be changed?

SAMPLE MISSION STATEMENTS

The Milwaukee Public Library provides materials, services and facilities for all citizens of Milwaukee and others in order to meet present and future informational needs and raise the level of civilization in Milwaukee.

The Historic Third Ward Association acts to expand and enhance the district as a creative, livable and exciting mixed-use neighborhood while preserving its historic character.

The Foundry Educational Foundation strengthens the metal casting industry by supporting unique partnerships among students, educators and industry, helping today's students become tomorrow's leaders.

The Boys and Girls Club of Greater Milwaukee is a youth guidance organization dedicated to promoting health, social, educational, vocational, cultural, character and leadership development. It aims to help young people from the Greater Milwaukee Area to improve their lives by building self-esteem and developing values and skills during critical periods of growth.

Council #10 supports the efforts of educators and support personnel working in the southern Milwaukee suburbs. By pooling the resources of its member organizations, Council #10 coordinates the exchange of information and the development of joint goals and programs in order to empower its members in their quest for fair and equitable treatment. By improving the welfare of its members, Council #10 believes that the education of students and the quality of community life will be enhanced.

LindenGrove, a not-for-profit provider of health care and senior residential services in Southeastern Wisconsin, is committed to the continual enhancement of the quality of care and the quality of life of the persons it serves.

The Medical Society of Milwaukee County is an organization of physicians that provides leadership responsive to the needs of its members and collaborates with others to improve the community's health by maintaining the highest possible standards in the practice of medicine.

Our mission is to help Marquette, as an urban, Catholic, Jesuit institution, become one of the nation's distinguished universities; and to this end, we strive to bring all alumni closer to the University and one another in the Ignatian tradition of care for each person. (Marquette University Alumni Association)

We aim to transform society and culture by providing aspiring leaders with opportunities for self-renewal and development of leadership skills, values and behaviors. (Wisconsin Leadership Institute)

SAMPLE GOALS

ADVOCACY: Advocate for public policy that supports our mission.

AFFILIATION/MANAGED CARE: Position the organization within the emerging health care networks.

ALUMNI SERVICE: Increase our effectiveness as a service-based association that meets the diverse needs of alumni.

ASSOCIATION FUNDING: Develop financial independence for the association.

AWARENESS/IMAGE: To increase awareness of the association among key constituencies.

COLLABORATION: Lead, initiate and support measurable collaborative efforts that address

COMMUNITY AWARENESS: Increase community awareness and support of the agency, its mission and goals.

FINANCES: Increase the organization's financial strength to support future growth.

FUNDING: Develop a stable, growing and diversified funding base.

FUNDRAISING: Build a strong, broad-based coordinated comprehensive fundraising program in support of the University.

ORGANIZATIONAL RESPONSIVENESS: Assure development of a responsive and efficient organization.

PRODUCT/SERVICE MIX: Provide a mix of comprehensive diversified services that meet the changing needs of our clients.

QUALITY IMPROVEMENT: Dramatically enhance the quality of services to our clients.

STAFFING: Recruit and retain skilled, caring staff.

VOLUNTEERISM: Attract and retain dedicated volunteers for meaningful association involvement.

Strategy Worksheet

The next step in the planning process is to develop strategies for each goal. Strategies begin to answer the question “HOW will we go about accomplishing our goals?” The examples below offer some definitions and show the relationship between goals and strategies.

<u>LEVEL OF PLANNING</u>	<u>EXAMPLES</u>
<p>GOALS: 3 years out Broad statements of what the organization hopes to achieve in the next 3 years. Goals focus on major outcomes or results and are qualitative in nature.</p>	<p><i>To expand our funding base to sustain current operations and support anticipated program growth</i></p>
<p>STRATEGIES: 1-3 years out Statements of major approach or method for attaining goals and resolving specific issues.</p>	<ol style="list-style-type: none"> 1. <i>Generate more revenue from programs.</i> 2. <i>Expand individual annual campaign giving.</i> 3. <i>Increase corporate giving.</i>

YOUR TASK:

⇒ **Review the information listed below. They contain many ideas for strategy.**

1. Information from earlier planning surveys; earlier group discussion.
2. Critical issue statements.

⇒ **Brainstorm strategies for the goals.**

1. Use the format for strategies from the sample box above. Remember, strategies describe a general approach or method; they don't describe specific activities or projects.
2. Use the ideas for strategy suggested by other group members in earlier meetings, comments from other members, etc.
3. If needed, use the list of verbs on the next two pages as a resource for writing your strategy statements.

⇒ **Later, in your assigned goal group, review strategy ideas developed earlier by group members. Then develop/select the 4-6 best strategies. Use the suitability criteria below:**

1. Ask whether the strategy statement . . .
 - *Takes advantage of opportunities*
 - *Defends against threats*
 - *Builds on organizational strengths*
 - *Corrects organizational weaknesses*
 - *Offers some basis for future competitive advantage*
2. If needed, use the list of verbs on the next two pages as a resource for writing your final strategy statements.
3. Write the best strategies on newsprint for reporting out to the full group.

STRATEGIC OUTCOMES/ACTIVITIES

The following list (which is by no means complete) offers organizations some action verbs that can be used to begin to think about strategies.

Resource or Function

Strategic Activities

*Program or Service
Development or
Delivery*

*Offer new/innovative
Enhance quality of
Develop
Diversify
Produce more
Retrench
Joint venture
Coordinate*

Income

*Increase
Decrease
Divest*

Markets

*Expand
Penetrate
Divest
Diversify
Specialize
Analyze
Segment*

Personnel

*Hire new
Terminate
Enrich jobs
Rotate
Train
Reassign*

Communications

*Educate
Inform
Persuade*

STRATEGIC OUTCOMES/ACTIVITIES (CON'T)

<i>Information</i>	<i>Research</i> <i>Develop</i>
<i>Leadership</i>	<i>Change</i> <i>Expand</i> <i>Include</i>
<i>Technology</i>	<i>Develop</i> <i>Invest</i> <i>Divest</i>
<i>Facilities</i>	<i>Expand</i> <i>Relocate</i> <i>Divest</i> <i>Build</i>
<i>Organization (radical change)</i>	<i>Reorient</i> <i>Turn around</i> <i>Revitalize</i> <i>Transform</i>
<i>Organization (no change)</i>	<i>Maintain</i>

Sample Strategic Plan Cycle

Mission, Vision, Goals, Strategies – 4 year strategic plan cycle (1999-2002)

----->
 On an annual basis, the organization will carry out the following operational planning tasks culminating in development of objectives for the following year:

1999	2000	2001	2002
Implement 1999 Objectives	Implement 2000 Objectives	Implement 2001 Objectives	Implement 2002 Objectives
Monitor/adjust 1999 Objectives	Monitor/adjust 2000 Objectives	Monitor/adjust 2001 Objectives	Monitor/adjust 2002 Objectives
Evaluate 1999 Objectives	Evaluate 2000 Objectives	Evaluate 2001 Objectives	Evaluate 2002 Objectives
Review/update current Strategic Plan	Review/update current Strategic Plan	Review/update current Strategic Plan	Develop new Strategic Plan for 2003-2006
Set 2000 Objectives	Set 2001 Objectives	Set 2002 Objectives	Set 2003 Objectives
Develop 2000 Budget by 12/1/99	Develop 2001 Budget by 12/1/00	Develop 2002 Budget by 12/1/01	Develop 2003 Budget by 12/1/02

Adapted from Management Cornerstones, Inc.

Objective Planning Worksheet

Sample Strategy 4.2 Increase association membership

WHO		WILL DO WHAT	BY WHEN	EVALUATION MEASURE
Primary	Collaborating with			
<i>The Membership Manager</i>	<i>Membership Committee</i>	<i>Increase 2000 association membership revenue by at least 25% (\$142,000)</i>	<i>Dec. 31, 2000.</i>	<i>% Increase in association membership revenue or dollar increase in revenue</i>
Objective: <i>The Membership Manager and Membership Committee will increase 2000 association membership revenue by at least 25% (\$142,000) by 12/31/00</i>				

Strategy # ____

WHO		WILL DO WHAT	BY WHEN	EVALUATION MEASURE
Primary	Collaborating with			
Objective:				

Strategy # ____

WHO		WILL DO WHAT	BY WHEN	EVALUATION MEASURE
Primary	Collaborating with			
Objective:				

Action Planning Worksheet

ASSIGNED OBJECTIVE:		
ACTION STEPS	Specify for each step	
	Due date	Who
1.		
2.		
3.		
4.		
5.		

Sample Timeline For Development Of Objectives

May-June	June-September	November-December	January and Ongoing
<ul style="list-style-type: none"> • Reorganization of board committees. • Additional orientation and training as needed for board members and management staff on format for developing their objectives based on strategic plan. 	<ul style="list-style-type: none"> • Staff and Board Committees develop objectives for their assigned strategic goal and strategies for the period October 1999 - December 2000. • Committees submit objectives to Board president. Managers submit their objectives to Executive Director. • 2000 Budget drafted 	<ul style="list-style-type: none"> • Board reviews and approves Year 2000 Budget. 	<ul style="list-style-type: none"> • Implementation of Year 2000 Action Plan. • Quarterly reviews. • Annual review and update strategic plan.

Board Committee Plan Reporting Form

Reporting Quarter _____

Name of Board Committee _____

Strategies Assigned to Committee	2003 Objective	Quarterly Committee Progress/Results

Form to be filled out on a quarterly basis by committee chair and submitted to Board President.

Committee Plan Reporting Form
Reporting Quarter _____

Name of Board Committee _____

Strategies Assigned to Committee	2003 Objective	Quarterly Committee Progress/Results
<i>EXAMPLE: Generate more revenue from special events.</i>	<i>EXAMPLE: The Fund Development Committee will generate at least \$285,000 in revenue from special events by December 31, 2003.</i>	<i>Annual Dinner in May raised \$135,000 net.</i>
<i>EXAMPLE: Increase the effectiveness of the board and its committees.</i>	<i>EXAMPLE: The Board Development Committee will design a board member evaluation process, submit for board approval and perform the first annual board/board member evaluation by October 1, 2003.</i>	<i>Evaluation form designed and approved by board development committee</i>

Form to be filled out on a quarterly basis by committee chair and submitted to Board President.

Committee Learning Objectives

Back in the early 1960s, it is estimated that NASA only possessed about 15% of the knowledge it would eventually need to achieve its goal of “an American on the moon by the end of the decade.” As an optional step in committee planning, complete this worksheet to reflect on what you need to learn to accomplish your committee objectives for the coming year. This step will be especially important if the committee will be doing something new.

What knowledge, information, or learning do we need to acquire in order to accomplish our committee objectives this year?	What is our plan for acquiring the needed knowledge, information, or learning?
1.	1.
2.	2.
3.	3.
4.	4.
5.	5.

THE CENTER FOR PUBLIC SKILLS TRAINING

Helping Organizations Prepare for the New Century . . .

The Center for Public Skills Training is a Wisconsin-based association of trainers and consultants that has been providing assistance to nonprofit organizations and public agencies since 1976. Close to 20,000 paid staff and volunteer leaders have benefited from the practical, results-oriented training and consultation provided by Center staff.

Our training and consultation assistance is designed to share specific skills, techniques, and information that have proven useful for other groups, challenge participants to focus on key questions and issues so that they can arrive at a more critical understanding of the problems facing their organizations, resulting in practical solutions that will work.

We are committed to: utilizing training methods and specific learning activities that encourage an active, participatory role for trainees; providing direct experiences in group problem-solving and decision-making; and employing training and consultation designs and materials that allow participants to apply new skills and knowledge.

TRAINING:

Listed below is a sampling of our workshop offerings in four critical specialty areas:

- **Planning:** Strategic Planning in Nonprofit Organizations; Involving your Staff in Operational Planning, Leading Change When You're Not the One in Charge; Group Facilitation Skills for Strategic Planning; Collaboration: A New Marketing Tool for Nonprofits; Building a Nonprofit Organization that is Responsive to Change
- **Leadership development:** Building a Board that Works; Chairing and Managing Committees and Workgroups; Effective Fundraising: Involving Your Board
- **Volunteer management:** Developing and Implementing a Volunteer Recruitment Strategy; Training Volunteers; Improving Volunteer-Staff Relations in Your Organization; Volunteer Supervision and Evaluation; Marketing and Promoting Your Volunteer Program
- **Community action:** Getting It Together: Networking and Coalition-Building; Advocacy and Lobbying Skills for Nonprofits; Fundamentals of Community Organizing; Developing a Community Issues Agenda

Other training can be custom designed to meet the special needs of your organization.

CONSULTATION:

Center Staff can also design specialized training and technical assistance programs to meet the unique needs of your organization. Areas of expertise include strategic planning facilitation, involving staff in operational planning, assisting managers in planning and leading high priority meetings and conferences, board and staff retreats, developing community collaborations, as well as specialized consultation to address particular organizational problems.

FOR MORE INFORMATION:

The Center will be glad to furnish names of past clients as references. For more information, contact Frank Martinelli, The Center for Public Skills Training, 2936 N. Hackett Avenue, Milwaukee, WI 53211, Voice: (414) 961-2536; Fax: (414) 961-7749; Website: www.createthefuture.com. E-Mail: Frankwill@aol.com.

FRANK MARTINELLI, THE CENTER FOR PUBLIC SKILLS TRAINING:

Frank has over 27 years of work experience with a variety of nonprofit, community based groups and public agencies. He is president of the Center for Public Skills Training where he specializes in strategic planning, governing board development, volunteer management, and community partnership and alliance building. Frank served as a member of the national faculty of The Learning Institute, a joint venture of the Society for Nonprofit Organizations, United Way of America, and the University of Wisconsin-Extension designed to deliver training through a range of emerging technologies. He has provided training and consultation to over 1600 organizations in the US including the National Child Nutrition Project, Peace Corps, Head Start, The Points of Light Foundation, Association of Volunteer Administration, the American Camping Association, Wisconsin Association of Homes and Services for the Aging, Voluntary Action Centers, and others. From 1981-1992, Frank served as Coordinator of THE RESOURCE CENTER, a major provider of training to nonprofit groups in the Greater Milwaukee area. A graduate of the University of Wisconsin with an M.S. in Urban Affairs, Frank has done numerous workshops on nonprofit management topics with special emphasis on involvement of the Board of Directors. He has been trained by the Peter F. Drucker Foundation in the use of the Organizational Self-Assessment Tool. Frank has also completed the Advanced Board Consultant Training Program offered by BoardSource, formerly known as the National Center for Nonprofit Boards

Frank served as a community organizer for the Citizen Action Program (CAP) in Chicago and as a founding organizer and staff director of the Milwaukee Alliance of Concerned Citizens. He also served as Senior Training Consultant to ACTION/VISTA from 1977 to 1981. In addition to his professional work, since high school days, Frank has played key roles in founding and leading a number of nonprofit organizations. In 1993, the Wisconsin Association of Nonprofit Organizations established The Frank Martinelli Volunteer Achievement Award. The award recognized excellence in voluntary service to the nonprofit sector in Wisconsin.

Encouraging Visionary Board Leadership

Frank Martinelli
The Center for Public Skills Training

The rapid pace of change requires that nonprofit boards look and act differently. Many boards have already made the transition. They possess a number of qualities and characteristics that together make up a new profile of board effectiveness.

The New Profile

This new board possesses some of the following characteristics: They are **visionary and future focused**, spending most of their decision-making time looking forward. They possess an **entrepreneurial spirit**, understanding that their organizations operate in a fast changing marketplace seeking products and services to meet emerging customer needs. The new board leaders are **risk takers**, balancing the need to take chances with the traditional stewardship responsibilities of board service. They are **good communicators**, understanding the importance of effective communication at all levels and they organize the board and its committees accordingly. They are **systems thinkers** seeking to understand the root causes and forces that shape the issues and challenges they will face in the boardroom. They look for courses of action that will exert the highest possible leverage as they respond to those issues. In the new board, leaders also look for creative ways to connect their organizations to the world around them, exploring and **imagining new forms of partnership and alliances** that will support their missions and advance in their strategic plans. The new board's leaders also have a **deep appreciation of the strength of diversity**, understanding that diversity helps to assure a higher level of responsiveness to customers and also promotes creativity, innovation and organizational learning.

These characteristics that define the emerging nonprofit board position the board leaders to exert a more visionary leadership style. However there are a number of barriers that get in the way of boards acting in this way.

Barriers to Boards Playing a Visionary Leadership Role

There are a number of factors that prevent boards from exercising the kind of visionary leadership described above. Taken together, these factors provide a checklist for assessing your board and identifying areas to target for improvement. Examining these barriers to visionary board leadership can be the first step in revitalizing an existing board or building a powerful board from scratch. Let's look at some of them now:

Lack of time. In order to play a visionary leadership role, board members need the time to attend meetings, read materials and maintain contact with each other in between meetings. This puts pressure on the board to do everything it can to organize for maximum effectiveness and avoid wasting time on trivial matters.

Developed by: Frank Martinelli, The Center for Public Skills Training, Milwaukee, WI frankwill@aol.com

Avoidance of risk-taking. In order to be innovative and creative in its decision-making, nonprofit boards must be willing to take chances, to try new things, to take risks. This risk-taking flies in the face of the traditional wisdom about board member stewardship responsibilities. Success in new programmatic ventures is never guaranteed. Boards need to acknowledge this tension point and discuss it with funders, donors and other key supporters. Board leaders must strike a balance between taking chances and maintaining the traditional stewardship role.

Lack of board involvement in strategic planning. More than any other activity, strategic planning offers boards an opportunity to think about changes and trends that will have significant impact and devise strategies to effectively respond to challenges. This opportunity to reflect together on the big questions facing the organization provides new vision and a sense of future direction as well as the energy to move forward. Some boards are not involved in strategic planning at all. Some are involved but only superficially. When this happens, the board loses an important opportunity to hone and exercise its visionary leadership skills.

Lack of knowledge in an increasingly complex world. The world is much more complex today for most organizations. Busy board members frequently lack a deep understanding of critical changes, trends and developments that challenge fundamental assumptions about how it defines its work and what success looks like. We see this shift most dramatically in the areas of health, education and welfare. Often, this lack of knowledge results in a lack of confidence on the part of the board to act decisively and authoritatively.

Micro-management. Recently the city council of a major American city spent almost an entire meeting deciding what color to paint the seats in the stadium currently under construction. Practically all of us have hair-raising stories about boards that spent untold hours discussing trivial subjects while neglecting major agenda items deserving their more careful deliberation. It is critical that the board focuses its attention on items of critical importance to the organization. In order to do this, the board must avoid the temptation to micro-manage or meddle in lesser matters or in areas that are more appropriately handled by the professional staff. The average board, meeting monthly for two hours, has approximately 24 hours of meeting time per year to make all of the major decisions as well as address new critical issues that emerge from time to time. It is simply impossible to do an effective job with in those 24 hours of meeting time, even if only a few hours are wasted on trivia. In addition, a habit of board micro-management can adversely affect the morale of staff and the board's own committees as well.

Holding on to the old ways. In their book, The Accelerating Organization, authors Maira and Scott -- Morgan, state that one principle of survival scientists have observed in natural systems is the continuous shedding of operating rules that cease to be relevant because of changing environmental conditions. Organizations, they surmise, "can hold only a small number of rules and operations at anytime so they must have the ability to shed old rules to make room for the new. Shedding becomes more complicated in systems involving human beings, because their sense of self worth is often attached to many old rules." This all-too-human tendency to hold on to what we know can prevent boards from considering and pursuing new opportunities that conflict with some of the old rules.

Lack of clarity regarding board staff roles and relationships. Sometimes boards assume that it's the job of the executive director to do the visionary thinking. While boards rightly expect executive directors to be visionary and decisive, this doesn't mean that the board sits and waits for direction and inspiration. This lack of clarity can result in boards that don't exercise visionary leadership because they don't think it's their job.

We didn't have to be visionary in a less-competitive past. Time was when clients, members and consumers would just walk in the door on their own -- or so it seemed. Viewing things in this way, boards didn't consider marketplace pressures, or for that matter a competitive marketplace. Today all that has changed. For many boards, however, their leadership style hasn't kept pace with this new awareness.

Some of these barriers will be familiar. All can be overcome. Let's look at five strategies that can help your board adopt a visionary leadership style.

Strategies for Becoming a Visionary Board

Strategy 1-- Focus on the Ultimate Ends of the Organization

Taking our inspiration from John Carver, author of Boards That Make a Difference, boards must be encouraged to focus on the ultimate ends of the organization and avoid the tendency to micro-manage. The mission, vision, goals, and strategies contained in the strategic plan should be the focus of board reflection and decision-making. Related to this, clarity regarding the roles and relationships of the board and staff must be maintained.

Strategy 2 -- Create a Long-range Plan for the Development of Future Board Leadership

In contrast to the typical short-term recruitment process that focuses narrowly on filling anticipated board vacancies for the current year only, boards need a long-range plan for developing future leadership. Such a plan centers on the following questions: Who will be serving on and leading the board over the next five years? What is our plan to scout board leadership talent for the future? How will we go about fostering and developing future board leadership? Key elements of this approach include:

- Create a standing board development committee to replace the nominations committee. This committee will use the key questions listed above to devise an ongoing process that includes prospecting, recruiting, selecting, orienting and training, and performance assessment of board members.
- Link board development to your strategic plan. Identify the new skills, knowledge, personal contacts, and other attributes future board members will need to possess in order for the board to do its part in advancing the strategic plan. Based on this analysis, develop targeted board recruiting priorities.
- Develop a written board member job description that reflects the future needs and

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expectations of the board.

- Direct the executive committee to design board meeting agendas that focus attention on the ultimate ends and avoid micro-management.
- Conduct an annual evaluation of the board that focuses in part on how well the board is maintaining a focus on the "ultimate ends" questions.
- Develop a just -- in -- time board orientation program to speed up the learning curve for new board members so that they can hit the ground running in their first meeting. Again, it is important to link this advance program of orientation and training to the strategic plan.

Strategy 3 -- Develop a Shared Vision of the Organization's Future

The key question for boards is the following: "If we could create the organization of our dreams that will have the impact we most desire, what would that look like?" The board's answer to this question captures the organization's vision. As mentioned earlier, it is critical that the board be involved in the development of a shared vision, the centerpiece of the strategic plan. Once the board has developed a vision statement, look for ways to live the vision in your organization. For example:

- Use the vision as a framework for board decision-making in every meeting -- not just during the annual planning retreat.
- Share your vision with the community. Once you go public, it's hard not to live up to the vision.
- Ask board members what they think is most exciting and inspiring to them about the wording of the organization's vision statement.
- Use the vision as the basis for regular dialog on emerging issues and challenges.
- Seek major media coverage when strategic plan milestones are reached and use this as an opportunity to promote your vision both inside and outside of the organization.

Strategy 4 -- Keep up with the Rapid Pace of Change

Another strategy for nurturing visionary leadership is to help the board keep up with the rapid pace of change. Provide information that helps the board think about these key questions: What external changes and trends will have the greatest impact over the next three to five years on the organization and the people it serves? How can the organization effectively respond to these changes and trends? How are similar organizations responding to these changes and trends?

Let's remember, however, that busy people will have difficulty finding time to read a lot of material so if you intend to share information with the board, especially in printed form, make sure that it is timely, relevant and well-summarized. Here are some suggestions for helping board members stay abreast:

- Schedule time during the regular board meetings for discussion about the impact of key external changes and trends and emerging critical issues.

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- Encourage individual board members to read, listen and look for information about emerging trends and bring this information to the attention of the board.
- Periodically send board members short readable articles summarizing relevant future trends.
- Involve the board in ongoing strategic planning as a way to expose them to external trend data.

Strategy 5 -- Stay in Touch with the Changing Needs of Your Customers

The fifth strategy for transforming the leadership style of the board is to provide members with information to enable them to stay in touch with the changing needs of the customer. Key questions include: What do our constituents think of the organization (i.e., What is their perception or image of the organization?) What are the most important future needs and service expectations of the organization on the part of our constituents? For new needs and service expectations of the organization likely to emerge among constituents, what other organizations are positioned to meet these constituent needs? Consider the following activities:

- Create opportunities for board members to "meet the customer". One organization schedules an annual "town hall forum" to provide board members with a face-to-face opportunity to listen to constituents talk about their emerging needs.
- Tap staff experience and knowledge of clients to deepen the board's understanding of emerging customer needs.
- Establish a marketing information system to supply the board with data to support its role.

Summary

To summarize, an effective Board of Directors that can exercise visionary leadership is built upon a number of key strategies. These processes, structures and practices reinforce each other and lay the groundwork for board and organizational effectiveness in this time of rapid, profound change.

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