



Your Planning Process Matters

Consider strategy before setting goals

It seems there is a new book or formula for better organizational planning and strategy published every few weeks. Most people have to be reminded about what all the terms mean, and the differences between mission, vision, and values statements. It can get overwhelming. And, what about the process itself? What is the best way to develop a new strategic plan?

What most organizations call their strategic plan is more appropriately described as an operational plan. Too often these plans are created from within the organization, and they are largely based on what the organization did last year. Think about how your fundraising goal was established for this year. Is it largely based on what you raised last year?

Strategy is about making choices, and solving problems. Strategy is future oriented.

If your organization is using an operational plan to define its future strategy, then you may be better served by a process that is focused on strategy first, before setting goals. Why focus on strategy? Strategy is about making choices, and solving problems. Strategy is future oriented. Effective strategy is best developed at the organizational level, while goals, objectives and tactics are created for individual action within a department or team.

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Focus Higher-Level Thinking on Strategy Development

Do we need a strategic plan to raise more money?

When was the last time a donor asked to see your strategic plan? Maybe a foundation grant application included a question about whether the organization has a plan, but honestly has anyone else asked? So why do we invest our organizational resources in these elaborate strategic planning processes? Let's face it: your last planning process probably generated an extensive written document, with a matrix or map of goals and objectives that few board members and staff can recite, let alone recall.

It's no wonder that most people react to the idea of starting a strategic plan with apprehension, if not outright dread. So why do we do it? We lead our organizations into structured long-term planning in part because we believe it will lead us to better organizational outcomes and help us raise more money.

... donors want to know what you do, how you do it, and where you are going. In other words, they want to know about your strategy ...

There is an adage that states, “plans are worthless, but planning is everything.” This paradoxical statement was famously used by Presidents Dwight Eisenhower and Richard Nixon. Similarly, Winston Churchill wrote that, “*Writing a book is not unlike building a house or planning a battle ... The technique is different, the materials are different, but the principles are the same. The foundations have to be laid, the data assembled, and the premises must bear the weight of their conclusions... The whole when finished is only the successful presentation of a theme.*” The whole when finished is your strategy.

If you want to raise more money, an organization needs a vision for the future, and an idea about how to get there that inspires a donor to invest philanthropically. In our experience, donors want to know what you do, how you do it, and where you are going. In other words, donors want to know about your strategy for the future.

If you want to raise more money, look at how you are developing your strategy. Did your last strategic planning process deliver the desired

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Vision, Mission & Strategy: The Why, What & How of Planning

When starting a new planning process, focus on the why, what and how of planning:

Vision:

- Our Aspiration / *The Why*

A vision statement should present the optimal future state, an ideal future even if it may never be achieved; a statement of where the organization is headed and what values are guiding that journey.

Mission:

- Our Purpose / *The What*

A statement of how we will accomplish our vision; and, what the organization wants to accomplish. The mission should answer what the organization does; what value it brings; who it serves; and how it does what it does.

Strategy:

- Our Roadmap / *The How*

This describes how organizational resources should be allocated to accomplish the mission. Short and long-term goals should explain how those goals will be achieved. The roadmap establishes parameters that guide prioritization of resources and decision making. Specifically who we serve and how we will reach them.

Consider strategy before setting goals

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One of the first things we ask our clients to do is to describe their planning process and who was involved, even before we ask about the plan itself. If there wasn't much process to the plan, and if the organization didn't involve varying perspectives from their stakeholders, the result will likely be an operational plan that is largely devoid of strategy and a framework for making decisions.

Think about it. Operational planning is typically the domain of the manager, and they will too often focus exclusively on goals and objectives. These operational plans can be effective management tools, and are appropriate for the annual business cycle of a nonprofit organization, including annual fundraising goals. But major donors considering a large philanthropic investment may be more interested in the organization's strategy, the approach you will take to achieve larger societal goals, and how you will impact your constituents in a changing world.

Clearly the goal of a strategic planning process is to develop a plan, yet the value of the exercise will often lie in the process. Developing effective strategy requires the involvement of stakeholders ... and we all know, nonprofit organizations have many varying constituent perspectives.

Too many people confuse strategy with goal setting, and one needs to know the difference before initiating a new planning process. Developing strategy is an exercise in problem solving. Goals are essential, but goals do not solve problems. Goals are a measure of progress toward our mission and purpose, progress toward solving our problems. Goals support our strategy.

There's doing the work and planning the work. Solving a problem is doing the work. Strategy is planning the work. Strategy is the plan you make to solve the problem, then you execute your strategy which hopefully solves that problem.

Strategy defines the organization's decision making on things such as which programs and services to offer, or not offer; which markets or constituents will you serve, or not serve; and what capabilities you have, or need to deliver your programs and services to your constituents with the intended impact and outcomes. Tactics that are devoid of a rational strategy will likely fail to produce the stated goals.

If you want a better plan, one that inspires and drives more philanthropic investment in your organization, invest in a process that includes your stakeholders and one that considers strategy before setting goals.



Do we need a strategic plan to raise more money?

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outcome? Most organizations will gloss over the big questions, and move straight to detailed operational planning, or to an elaborate matrix of too many unrelated goals, objectives and tactics.

Nonprofit boards and leaders are better served by focusing their higher level thinking on strategy development, and secondly working to prepare a detailed plan to carry out the execution of that strategy. By focusing first on strategy development, the subsequent impact of planning may also improve by giving equal emphasis to implementation and execution of the plan. If your organization has a clearer definition of where it is going and why, the process of devising a plan of actions and tactics can be more readily developed.

How can nonprofit organizations properly form better strategy? **First, know thyself.** The organization, and this includes all of the governing board members, must know the purpose — what the organization does, who it serves, where it serves, how its is funded — and can describe and quantify its community impact and it's competitive advantages. Can all your leadership and all your staff members answer these questions? The first place to start in developing or even just reviewing your strategy is to review your mission statement, and work to make sure everyone knows it.

The next essential factor in developing great strategy is to **know the world around you.** What are the influencing factors in your operating environment and how have they or are they changing? How will your organization be impacted by changing economic and demographic conditions, social influences and constituency interests, or other political and funding changes? If the organization's administration and governance already know and agree on these conditions you're in great shape. More likely, internal decision makers will have varying perspectives and disagreements. This is where third-party research and analysis can prove valuable and help get everyone on equal footing.

The third factor of effective strategy development is to **focus on your organizational strengths** — a topic we've written about frequently. Our society seems fixated on weaknesses, but an in-depth study of organizational weaknesses can result in a futile exercise that does little to develop a forward-looking strategy. When an organization builds strategy upon its existent strengths it will generate greater results faster. Leveraging and emphasizing organizational strengths can make an organization and its people come alive.

If you want to raise more money, you should be able to succinctly describe your strategy for the future. That includes a current description of your organization, an up-to-date understanding of your operating environment, and how you will leverage your organization's strengths and a record of organizational success to get there!

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On Second Thought

Why Hire a Consultant?

by David S. Goettler



The fundraising profession has grown tremendously since its inception. Today, most organizations employ experienced and capable fundraisers on staff. Increasingly administration executives and governing boards may wonder why they would need to hire a consultant at all — isn't that the role of the executive director and the chief development officer?

When an organization is considering its future strategy, looking to conduct careful strategic planning or organizing the early phases of a capital campaign, they are in fact working to change the status quo. Something somewhere has created a desire or need to change or improve the future trajectory of the organization. It is at this time that considering an outside consultant may be an excellent investment.

Hiring a consultant will typically require the consensus of management and governance on the clear purpose and objectives of the engagement, and demonstrate the organization's commitment to the planning process and on improving future results.

The outside consultant will bring an impartial perspective into your planning process. It is naturally difficult for an organization's leadership to see their organization objectively, to identify both the internal and external environmental factors that truly impact the fulfillment of the organization's mission and vision. A good consultant will ask the difficult questions, challenge the status quo and entrenched biases, and accelerate critical self-evaluation and identification of organizational strengths and capabilities which are vital to a successful strategic planning process.

Internal and external stakeholders will often share their unvarnished opinions with a third-party consultant, opinions and concerns that they are reluctant or unable to express in their normal interactions with the organization. The consultant is able to diffuse emotion and office politics, balance opinionated leaders and establish agreement on the core issues impacting an organization's improvement and greater community impact.

Is a hiring a consultant always a good idea? No, not if you are happy with the status quo, or simply unwilling to change.

An outside consultant, enabled by a clear purpose and approved by the board is not burdened with a full workload of recurring duties. They will manage the engagement process effectively and within an establish time line. Hiring a consultant for your next strategic planning process can be an excellent investment to improve your organization.

