Strategic Planning

23rd Annual Nonprofit Conference on Sustainability Strategies
October 15th
Phoenix

Anne Byrne
Professional-in-Residence
ASU Lodestar Center for Philanthropy and Nonprofit Innovation
Regional University-based Center

Mission:

- ...to help build the capacity of social sector organizations to improve the quality of life in communities
- ...knowledge and tools that enhance the effectiveness of those who lead, manage, and support nonprofit organizations

Knowledge & Tools

- Research & Academic Affairs
- Professional Development Programs
- Capacity Building Initiatives
Session Objectives

- Distinguish the Difference Between Strategic and Tactical Planning
- Illustrate how Planning Develops Organizations
- Demonstrate the use of a SWOT Analysis
- Create and apply SMART Goals
- Integrate Plans into an Organization
Strategy

Leveraging opportunities, challenges and vulnerabilities for greatest impact in meeting the organization’s mission.

Includes:

- Reflection and evaluation
- Collaborative inquiry
- Organizational engagement
- Sustaining Strategic Thinking
Strategy versus Tactic

How will we accomplish our mission? Our high-level goals?

How will we implement something? What series of activities or processes need to be in place?
Plan a Family Reunion

Family is spread across the US
Family members have different levels of means to attend a reunion
Aging parents have requested a gathering of the family which includes 8 children and sixty grand and great-grand children

What is the mission?

Host an affordable and accessible family reunion and encourage broad participation from family members.

Strategy
Determine factors most likely to encourage attendance including dates, location, cost.
Set a location, venue price and date accessible to most family members.

Tactics
Select venue
Plan activities
Create menus
Planning and Organizational Development

Final Plan
- Sets Direction
- Creates Accountability
- Fosters Discipline

Process
- Opportunity for Participation
- Diversity in Perspective
- Builds Ownership
Planning Builds Capacity

Leadership

Engagement

Ownership

Effective and Sustainable Organization

Outcomes
Vision and Mission

**Vision**
What are the values or beliefs that inform your work?
What would you ultimately hope to accomplish as a result of your efforts?

**Mission**
How do you plan to work toward this broad vision?
For whose specific benefit does the organization exist?
Refining Organizational Vision

Synthesize into a Vision
Yucca City Children’s Center

Vision

• All children start school ready and able to learn.

Mission

• To develop cognitive, emotional, and social skills through effective early childhood education for children in Yucca City.
Gathering Information

- Facilitated Discussion
- Interviews
- Appreciative or Collaborative Inquiry
- World Cafe

Robust Information
SWOT:
Strengths, Weaknesses, Opportunities, Threats

**Strengths and Weaknesses**
- Internal characteristics of an organization
- Determined through an assessment of internal operating performance and an assessment of organization capabilities

**Opportunities and Threats**
- Characteristics of the external environment (the world outside the organization)
- Identified using work done on the Five Forces analysis

**SWOT Analysis**
- How an organization’s strengths and weaknesses match up with opportunities and threats
Internal Analysis

**Strengths - Examples**
- A distinctive competence
- Strong financial resources
- Good competitive skills
- Good image and reputation
- Acknowledged market leader
- Proprietary intellectual property
- Cost advantages
- Competitive advantages
- Product innovation abilities
- Proven management
- Other

**Weaknesses - Examples**
- Lack of clear strategic direction
- Deteriorating competitive position
- Inability to reach break-even because...
- Lack of management depth and talent
- Missing key skills and competencies
- Poor track record on implementing strategies
- Many internal operating problems
- Weak innovation capabilities
- Over-dependent on a few products/people
- Weak market image and reputation
- Competitive disadvantages
- Lack of financial resources to carry out strategy
- Other

*Source: Vittori Consulting, LLC
Examples from: Strategic Management, Certo and Peter, 7/2/2008*
External Analysis

Opportunities - Examples

• Availability of new customers
• Demand for new products
• Demand for variations of existing products
• Demand for complementary products
• Vertical integration
• Migration to more attractive industry segment
• Complacent competitors
• Faster (than forecast) market growth
• Favorable government policies/laws
• Other

Threats - Examples

• Likely entry of new competitors
• Rising sales of substitute products
• Slower (than forecast) market growth
• Loss of key customers (to competitors, or no longer available)
• Adverse government policies/laws
• Growing competitive pressures
• Vulnerability to economic problems
• Growing bargaining power of customers and/or suppliers
• Customer requirements moving away from organization’s competencies
• Other

*Source: Vittori Consulting, LLC
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<table>
<thead>
<tr>
<th>Strengths</th>
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<tbody>
<tr>
<td>• Long standing service to community</td>
<td>• Lack of funding</td>
</tr>
<tr>
<td>• Impact on children and families</td>
<td>• Relationship with funder</td>
</tr>
<tr>
<td>• Relationships with families and community</td>
<td>• Decline in enrollment in service area</td>
</tr>
<tr>
<td>• Independent nonprofit organization</td>
<td>• Staff is spread too thinly</td>
</tr>
<tr>
<td>• Community trust</td>
<td>• Competition</td>
</tr>
<tr>
<td>• Commitment to mission</td>
<td>• Cost per student</td>
</tr>
<tr>
<td>• Staff willingness to do whatever it takes</td>
<td>• Difficult to recruit and retain Board members</td>
</tr>
<tr>
<td>• 5 stars Quality First</td>
<td>• Lack of parental involvement</td>
</tr>
<tr>
<td>• Growth as represented by 5 stars</td>
<td>• Rising expenses</td>
</tr>
<tr>
<td>• Emotional development program</td>
<td>• Limited hours for working parents</td>
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## Yucca City Children’s Center SWOT

### Opportunities
- Use of facilities in creative ways)
- Preschool Development Grant
- Demand for services in other parts of town (west primarily)
- Partnership opportunities
- Fee for service for downtown employees, families

### Threats
- Competition with school districts for preschool
- Pre-K in schools
- Staff is overworked
- Loss of funding
- Shifting demographics and work patterns
<table>
<thead>
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<th>SWOT Matrix</th>
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| 1. Long-standing, trusted and impactful service to community  
2. Capable and dedicated staff.  
3. High quality rating. |
| **Weaknesses** |
| 1. Declining enrollment.  
2. Loss of funding leading to over extension of staff.  
3. Relatively high cost per student  
4. Difficulty recruiting and retaining board members |
| **External** | **Opportunities** |
| 1. Preschool Development Grant.  
2. Demand for services in other areas.  
3. Partnerships and use of internal and external facilities.  
4. Fee for service for changing demographics. |
| **Threats** |
| 1. Competition from school districts, particularly for PreK.  
2. Lack of sustainable funding.  
3. Shifting demographics and work patterns. |
## SWOT-Based Strategy Alternatives

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<td>3...</td>
<td></td>
<td>3...</td>
</tr>
<tr>
<td>10</td>
<td></td>
<td>10</td>
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### Opportunities

1
2
3... 
10

**SO Strategies**

Use strengths to take advantage of opportunities

**WO Strategies**

Overcome weaknesses by taking advantage of opportunities

### Threats

1
2
3... 
10

**ST Strategies**

Use strengths to avoid/counter threats

**WT Strategies**

Minimize weaknesses and avoid threats
## Generating Strategic Alternatives

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<td>2. Demand for services in other areas.</td>
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<td>3. Partnerships and use of internal and external facilities.</td>
<td>3. Physical space to expand programming.</td>
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<td>4. Fee for service for changing demographics.</td>
<td>4. Proximity to downtown for fee for service.</td>
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<td>2. Lack of sustainable funding.</td>
<td>2. Increase name recognition and match with service history</td>
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<td>3. Shifting demographics and work patterns</td>
<td>3. Opportunity to utilize partnerships more.</td>
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<td>4. Diversification of funding</td>
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<td>2. Cost saving exploration.</td>
<td>2. Increase name recognition and match with service history</td>
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<td>4. Explore diverse funding strategies.</td>
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<td>5. Consider serving younger children.</td>
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<td>6. Expand service area.</td>
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Yucca City Children’s Center Strategies

1. Leverage history/reputation with demand.
2. Take advantage of opportunity to explore options and services.
3. Physical space to expand programming.
4. Proximity to downtown for fee for service.

2. Demonstrate competitiveness.
3. Consider competition features in program development. (length of day)

1. Service outside of neighborhood.
2. Increase name recognition and match with service history.
3. Opportunity to utilize partnerships more.
4. Diversification of funding.
5. Board development opportunities.

1. Efficiency/effectiveness study $$$$.
2. Cost saving exploration.
3. More board members.
4. Explore diverse funding strategies.
5. Consider serving younger children.
6. Expand service area.
Creating Strategic Goals

Goals

Broad statements that help focus the organization’s work, providing direction over the time of the plan... usually not measurable.

Should be 4-6 in number

One goal should address ongoing evaluation

Broad areas should include:

Organizational/Infrastructure
Programs
Finance
Community Liaison/ Public Relations
Creating SMART Strategic Goals

Objectives

Strategic Objectives define the specific goals to be achieved in each perspective

Good objectives will be **SMART**:

- **S**pecific
- **M**easurable
- **A**ggressive but **A**chievable
- **R**elevant
- **T**ime-bound
Yucca City Children’s Center Goals

Organizational/Infrastructure

• Create and implement staff development program.
• Develop and implement robust board recruitment and training program.

Programs

• Explore and implement services for younger children, longer hours and outside immediate service area.
• Develop fee for service for downtown
Yucca City Children’s Center Goals

Finance

• Study and implement cost savings measures
• Diversify fundraising through fee for service

Community Liaison/ Public Relations

• Develop and support strategic partnerships
• Update and promote brand image.
Yucca City Children’s Center Goals

Organizational/Infrastructure

- Create and implement staff development program.
- Develop and implement robust board recruitment and training program.

SMART GOALS (Specific, measurable, achievable, relevant, time bound)

- Conduct an annual skills inventory of classroom teachers and aides, identify one target area for growth for each and one training experience to be completed by year end.
- Create and support a board development committee to recruit, orient and seats an average of 3 new Board of Directors members each year.
Yucca City Children’s Center Goals

**Finance**

- Study and implement cost savings measures
- Diversify fundraising through fee for service

**SMART GOALS** *(Specific, measurable, achievable, relevant, time bound)*

- Conduct a comprehensive review of program components and related expenses, compare with similar programs, adjust delivery model to make it more efficient and decrease program expenses by 10% by the end of the fiscal year.
- Develop a fee for service program to generate an additional $10,000 in 2015, $20,000 in 2016, and at least $25,000 every year thereafter.
• **Goal**: Increase financial stability by increasing cash reserves, diversifying revenue sources and implementing a comprehensive donor engagement program.

  **Objective 1**: Increase cash reserves by 10% each year ($100,000 baseline, $10,000 in 2012, $11000 in 2013 and $12,100 in 2014) by increasing revenue.
Create Plan Document

- Accessible
- Culturally Relevant to Organization
- Relevant
- Prominent
Integrate Plan into Organization

- **Board**
  - Agendas
  - Reports

- **Staff**
  - Planning
  - Personnel goals and evaluation
  - Meetings

- **Programs**
  - Aligned
  - Opportunity Lens

- **Stakeholders**
  - Familiar with plan
  - Ownership of plan
Update and Revise

Review Annually

Implement

Revise and Update
Session Objectives

- Distinguish the Difference Between Strategy and Tactical Planning
- Illustrate how Planning Develops Organizations
- Demonstrate the use of a SWOT Analysis
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