



# STRATEGIC PLANNING



Through the strategic planning process, your not-for-profit organization (NPO) addresses the following fundamental questions:

- What is our vision for our community, our country, the world?
- What is our mission—what are we doing and why?
- What strategies will we use to achieve our mission?
- What specific objectives will we try to achieve in carrying out our strategies?

Strategic plans typically cover a 1-5 year period. Newer NPOs will want to develop one or two year strategic plans, while more experienced NPOs may do planning over a 3-5 year period. Strategic plans are typically developed by a planning team consisting of the NPO Board, senior managers, and sometimes community members or important supporters of your NPO.

The Strategic Plan sets out a broad vision of your NPO's direction, but it does not include detailed step-by-step instructions for how to proceed. When the Strategic Plan is complete, the next step is to prepare an Operational Plan, which identifies detailed steps and assignments for carrying out the strategies identified in the Strategic Plan.

**Attachment 1** illustrates the steps of the Strategic Planning process.

Why is strategic planning important?

NPOs are often very busy with their daily work, and may feel that they do not have time for strategic planning. However it is very important to take the time to develop a strategic plan for your NPO. The strategic plan helps your NPO to:

- Ensure that everyone involved with your NPO—Board members, employees, volunteers and donors—shares a common vision of why the NPO exists and what it is trying to achieve.
- Determine the best ways to meet your goals, so that you are using your time, energy and resources in the most effective way possible.
- *Proactively* address the most important needs, rather than just reacting to day-to-day demands.
- Describe your NPO and its activities in a way that will generate support from potential donors.

Without a good strategic planning process, your NPO is more likely to encounter these common problems:

- Disagreements about goals and priorities. It is common for people within a NPO to have different ideas about the NPO's goals and about what its major activities should be. This leads to conflict and can even threaten the NPO's existence.
- Unrealistic goals and priorities. Without planning, a NPO may set goals that are vague and impossible to achieve or their goals may be too ambitious given the NPO's size and experience.
- "Management by crisis". Many NPOs go from crisis to crisis—diverting their staff and financial resources to dealing with day-to-day problems that have little to do with meeting their clients' needs.
- Staff dissatisfaction and turnover. In NPOs without plans, employees and volunteers often do not know what is expected of them. This leads to job dissatisfaction, and often makes it difficult for the NPO to attract and maintain good employees and volunteers.
- Lack of donations. Without a good strategic plan, potential donors will not have a clear picture of your NPO's purpose and how it intends to carry out its work. Without this information, they may lack confidence in your NPO, and therefore may be less likely to contribute financially.

The following table compares the experience of NPOs that have strategic plans with those that do not have them.

NPOs with strategic plans...	NPOs that do not have strategic plans...
Have a clear vision of the changes they want to achieve and the problems they want to solve in the community, the nation or the world.	Do not have a clearly stated vision for what the NPO is trying to achieve.
Know how they will work towards their vision.	Have not clarified what they do.
Have programs and initiatives that are clearly linked to the changes they want to make and the problems they want to solve.	Do not have clear criteria for choosing their programs and initiatives. They may be involved with programs that have little or no impact on the communities they are trying to serve.
Have programs and initiatives that are responsive to community needs and priorities.	Have programs and initiatives that do not necessarily address community needs and priorities.
Have identified specific targets that they will meet in their programs, with timeframes for meeting them.	Do not have specific performance targets, making it hard to plan their work and measure their achievement.
Can easily communicate with clients, donors and the community about the NPO's purpose, activities and accomplishments.	Cannot clearly describe their NPO's goals, activities and accomplishments to others.
Can demonstrate to potential donor show the NPO will benefit the community it serves.	Cannot show potential donors how the NPO will bring about positive change.

# PART I: MAJOR STEPS OF THE STRATEGIC PLANNING

COMPONENT	WHAT IT INCLUDES	SUGGESTIONS FOR DEVELOPING YOUR STRATEGIC PLANNING PROCESS	WHY THIS IS IMPORTANT
<b>PRIOR TO BEGINNING THE STRATEGIC PLANNING PROCESS</b>			
<p>1. Determine who should participate in the strategic planning process</p>	<p>Having the right people involved in the strategic planning process is critical to its success.</p> <p>NPO leadership—including board members, director, and key staff-- should always be involved in the strategic planning process. If skilled volunteers are important in your NPO, a skilled volunteer should be asked to participate. In addition, make sure that stakeholders are always represented on your planning team.</p> <p>Stakeholders could include representatives of clients, donors and community</p>	<p><b>Established NPOs:</b></p> <p>Your planning team should include</p> <ul style="list-style-type: none"> <li>• NPO leadership—including board members, director, and key executive staff</li> <li>• Representative of skilled volunteers, if they are active in your NPO</li> <li>• Representative of clients served</li> <li>• Representative of donor organizations</li> <li>• Community representative</li> </ul> <p>If possible, a planning group of 6-10 participants is ideal. With this size group, a variety of opinions and perspectives will be represented. But the group size will still be small enough so that everyone has a chance to be heard, there can be good discussion, and the process can operate efficiently.</p> <p><b>Start-up and Developing NPOs:</b></p> <p>Start-up and developing NPOs may have fewer people involved in the planning process than more established NPOs. However, it is still important that NPO leadership,</p>	<p>The strategic plan sets your NPO's direction for the next several years. Having the right people involved in developing it will ensure that it correctly identifies and addresses needs, and that the strategies it identifies are realistic and achievable.</p>

COMPONENT	WHAT IT INCLUDES	SUGGESTIONS FOR DEVELOPING YOUR STRATEGIC PLANNING PROCESS	WHY THIS IS IMPORTANT
	representatives.	skilled volunteers, and representatives of clients, donors and the community be involved.	
2. Arrange for planning process facilitation.	Arrange for someone who is not on the planning team to facilitate the planning sessions	<p>A facilitator makes sure that the meetings stay on track, and that everyone has a chance to contribute. The facilitator is responsible for process only, and does not express his/her own opinions during the process.</p> <p><b>Established NPOs:</b></p> <p>Establish NPOs may consider using a consultant who specializes in strategic planning facilitation. This will help ensure a well-organized, productive planning process.</p> <p><b>Start-up and developing NPOs:</b></p> <p>Start-up and developing NPOs may be able to find volunteers who can provide facilitation at no cost. If this is not possible, a staff member who is not on the planning team may be able to provide facilitation.</p>	<p>Having a good facilitator helps the process go smoothly. The facilitator will:</p> <ul style="list-style-type: none"> <li>• Make sure that the process proceeds as planned and does not get side-tracked with extraneous matters.</li> <li>• Make sure that everyone on the team has an opportunity to participate and make their views known.</li> <li>• Help the team reach consensus.</li> </ul> <p>It is very difficult for the same person to both facilitate and participate in a meeting, and complications—such as perceived bias—can result. It is important to have a facilitator who is not part of the planning team.</p>

COMPONENT	WHAT IT INCLUDES	SUGGESTIONS FOR DEVELOPING YOUR STRATEGIC PLANNING PROCESS	WHY THIS IS IMPORTANT
3. Schedule dates for strategic planning sessions.	Schedule dates, times and locations for planning sessions in advance so that all planning team members have the dates on their calendars.	Some organizations schedule 3-4 meeting dates over a period of a few weeks. Others prefer a "strategic planning retreat", during which the plan is developed during a 1-2 day session.	Team members need to be present at all sessions. Scheduling meetings in advance will help make sure that they are available to participate.
4. Determine the time frame of the strategic plan.	Determine how many years in the future your plan will cover.	<p><b>Established NPOs</b> may be able to have a 3-5 year timeframe for their plans.</p> <p><b>New and Developing NPOs</b> will typically plan within a 1-2 year timeframe.</p>	The timeframe of the plan influences the objectives and strategies that the plan will include. For example, a 3-year plan will be able to include more ambitious, longer-term strategies than a 1-year plan.

COMPONENT	WHAT IT INCLUDES	SUGGESTIONS FOR DEVELOPING YOUR STRATEGIC PLANNING PROCESS	WHY THIS IS IMPORTANT
<p>5. Learn from your stakeholders</p>	<p>Learn from your clients, donors and members of the community:</p> <ul style="list-style-type: none"> <li>• What do they view as the greatest areas of need?</li> <li>• What is their experience with the services your NPO provides?</li> <li>• What suggestions do they have for how best to meet community needs?</li> <li>• What ideas do they have for how your NPO can expand its effectiveness?</li> </ul>	<p><b>New and Developing NPOs:</b></p> <p>Getting stakeholder input does not have to be complicated. Much can be learned from simple conversations with clients, donors and members of the community. During these conversations, you can ask them about their perceptions of community need and how best to meet it. You can also ask them about their impressions of your NPO and their suggestions for how it can improve. Make sure you take notes during these discussions, so that you can compile the ideas of the stakeholders you talk to and use them in developing your plan.</p> <p>A client satisfaction survey is also a very important way to get input. It is recommended that client satisfaction surveys be done at least annually. See <b>Attachment 2</b> for an example of a client satisfaction survey.</p> <p><b>Established NPOs:</b></p> <p>Established NPOs should also carry out client satisfaction surveys on at least an annual basis, and they should have informal conversations with clients, donors and community members as described above.</p>	<p>Listening to your stakeholders will help you direct your NPOs activities so that they truly meet community needs:</p> <ul style="list-style-type: none"> <li>• Client satisfaction surveys let you know whether clients feel they are benefiting from your services.</li> <li>• Client satisfaction surveys also give you insight into areas where your NPO's operations are strong, and areas where improvements are needed.</li> <li>• Often, NPOs think they know the best way to serve the community, but when they talk to stakeholders they realize that they may not have fully understood community needs.</li> <li>• Stakeholders may have suggestions about how you can do your job better.</li> </ul> <p>If your NPO does a good job listening to its stakeholders and responding to their needs and suggestions, stakeholders will</p>

COMPONENT	WHAT IT INCLUDES	SUGGESTIONS FOR DEVELOPING YOUR STRATEGIC PLANNING PROCESS	WHY THIS IS IMPORTANT
		<p>Established NPOs also use approaches for getting community input, including:</p> <ul style="list-style-type: none"> <li>• Focus groups of clients, donors and community members.</li> <li>• Public forums and listening sessions</li> <li>• Written surveys of community members.</li> <li>• Analysis of existing data and reports about community needs that has been compiled by others.</li> <li>• Formal interviews of clients, donors, and community members.</li> </ul>	<p>become more engaged and supportive of your NPO.</p>

### THE STRATEGIC PLANNING PROCESS

<p>STEP 1:</p> <p><b>Vision Statement</b></p>	<p>The vision statement is your NPO’s “dream”. How would you like your community, your country, or your world to be?</p> <p>See <b>Attachment 3</b>: Tips for Developing the Vision Statement</p>	<p>The vision statement is a brief, inspiring written statement that can be understood by all stakeholders. An example:</p> <p><i>"All school age children can read."</i></p>	<p>The vision statement makes clear what your NPO cares about. It communicates this vision to the broader community, your clients and supporters, your staff, and your volunteers.</p>
---	---	---	--



COMPONENT	WHAT IT INCLUDES	SUGGESTIONS FOR DEVELOPING YOUR STRATEGIC PLANNING PROCESS	WHY THIS IS IMPORTANT
<p>STEP 2:</p> <p><b>Mission Statement</b></p>	<p>The mission statement describes what your NPO is going to do and how it is going to do it.</p> <p>See <b>Attachment 4: Tips for developing the Mission Statement</b></p>	<p>The mission statement describes how you will work towards your vision. It should be in writing, concise and outcome oriented, without including a lot of operational detail.</p> <p>An example of a mission statement, based on the example vision statement above:</p> <p><i>"Our NPO promotes childhood literacy by providing books and tutoring to children ages 5-8."</i></p>	<p>A mission statement lets people know why your NPO exists and what it is trying to do. With a mission statement, board members, employees, volunteers, clients, donors and interested community members all have the same understanding of your NPO's purpose and approach.</p> <p>The mission statement provides a brief, effective way for you to describe your NPO to others.</p>

COMPONENT	WHAT IT INCLUDES	SUGGESTIONS FOR DEVELOPING YOUR STRATEGIC PLANNING PROCESS	WHY THIS IS IMPORTANT
<p>STEP 3:</p> <p><b>STRATEGIES</b></p>	<p>Strategies describe the broad approaches that your NPO will use to carry out its mission.</p> <p>See <b>Attachment 5:</b>Tips for developing strategies</p>	<p>Strategies describe how you will carry out your mission. They do not go into great detail (this will be done in operational planning). Rather, they describe the basic approach that will be used.</p> <p>Some example strategies, based on the mission statement above, would be:</p> <ul style="list-style-type: none"> <li>• <i>Develop an after-school tutoring program using volunteer tutors</i></li> <li>• <i>Get donated books and distribute them to students who are receiving tutoring.</i></li> </ul>	<p>There are many different ways of carrying out your mission. Each of these ways has advantages and disadvantages. By developing strategies, you select the best approaches for getting the job done. You are deciding <i>not</i> to pursue approaches that are less likely to proceed.</p>
<p>STEP 4:</p> <p><b>SMART Objectives</b></p>	<p>Objectives describe:</p> <ul style="list-style-type: none"> <li>• What will be done</li> <li>• How much will be done</li> <li>• By when it will be done</li> </ul> <p>Objectives should be SMART:</p> <p><b>Specific</b></p> <p><b>Measurable</b></p>	<p>A SMART objective is the measurable result that you intend to achieve by carrying out your strategies. The SMART objective usually includes:</p> <ul style="list-style-type: none"> <li>• What will be achieved?</li> <li>• How much?</li> <li>• By when?</li> </ul> <p>Here are examples of SMART objectives for the strategies described above.</p> <p><i>Strategy #1: Develop an after-school tutoring program using volunteer tutors</i></p>	<p>SMART objectives set realistic targets for your NPO to pursue.</p> <ul style="list-style-type: none"> <li>• Because the objectives are specific and timed, they help you determine what tasks need to be carried out, and by when.</li> <li>• They give you a basis for measuring your progress over time.</li> <li>• They help you improve your NPO's effectiveness: <ul style="list-style-type: none"> <li>○ If you meet or exceed your objective, what led</li> </ul> </li> </ul>

COMPONENT	WHAT IT INCLUDES	SUGGESTIONS FOR DEVELOPING YOUR STRATEGIC PLANNING PROCESS	WHY THIS IS IMPORTANT
	<p><b>Achievable</b></p> <p><b>Relevant</b></p> <p><b>Timed</b></p> <p>See <b>Attachment 6:</b>Tips for developing SMART objectives</p>	<p>SMART Objective #1: <i>By December 2013, 50 children will have received at least 10 hours of tutoring.</i></p> <p>Strategy #2: <i>Get donated books and distribute them to students who are receiving tutoring.</i></p> <p>SMART Objective #2: <i>By December 2013, 100 books will be distributed to children receiving tutoring.</i></p> <p>SMART Objective #3: <i>By August 2014, 80% of the students who have received tutoring will pass a reading competency test.</i></p> <p>You may have multiple SMART objectives. But, remember that you will need to do the work to carry out those objectives. Focus on the most important objectives, and do not include objectives that you might not be able to achieve.</p> <p>You will use these SMART objectives to measure your progress in carrying out the strategic plan.</p>	<p>to your success? How can that be replicated or used to achieve your objectives in the future?</p> <ul style="list-style-type: none"> <li>○ If you did not reach your objective, what got in the way? Why? How can you overcome that in the future?</li> </ul>

COMPONENT	WHAT IT INCLUDES	SUGGESTIONS FOR DEVELOPING YOUR STRATEGIC PLANNING PROCESS	WHY THIS IS IMPORTANT
<p>STEP 5:</p> <p><b>Assemble and review the completed plan</b></p>	<p>Develop a plan document including vision statement, mission statement, strategies and SMART objectives. Review the completed plan and make sure that it will help you achieve your mission and that it is practical and achievable.</p>	<p>Ask the following questions:</p> <ul style="list-style-type: none"> <li>• Is our mission related to our vision? In other words, will carrying out our mission bring our community, country or world closer to achieving our vision?</li> <li>• Will our selected strategies support us in carrying out our mission?</li> <li>• Are the objectives we selected achievable, and will our selected strategies result in our achieving these objectives?</li> <li>• Are the objectives SMART—so that we have specific targets to work for, and so that we can measure our progress?</li> <li>• Does our NPO have the financial and human resources to carry out this plan? Have we identified resources outside our NPO to help us successfully carry out our plan (for example: individuals, NPOs, businesses, government)?</li> </ul> <p>If the answer to any of these questions is “no”—review the strategic plan and make necessary changes.</p> <p><b>Established NPOs</b></p> <p>Established NPOs may also present their plan in terms of a Logic Model. Logic models clearly demonstrate the relationship between your NPO’s activities and the results you want to achieve. See <b>Attachment 7</b> for information on Logic Models.</p>	<p>A good strategic plan will help your NPO make the positive changes you want to make in your community, country or world. However, it must be carefully constructed, with strategies that support your mission and clear and realistic objectives. It must be practical and achievable with the human and financial resources available to your NPO.</p>

COMPONENT	WHAT IT INCLUDES	SUGGESTIONS FOR DEVELOPING YOUR STRATEGIC PLANNING PROCESS	WHY THIS IS IMPORTANT
<b>AFTER COMPLETION OF THE STRATEGIC PLAN</b>			
Periodically review progress in implementing the strategic plan.	At a predetermined time, review the strategic plan and see if you are on schedule for meeting the SMART objectives.	<p>When you complete the strategic planning process, set a date for reviewing progress on implementing the plan. This date should be well before the end date of the plan. A best practice is to review progress on the strategic plan every 6 months.</p> <p>The strategic plan should also be reviewed at the completion of the planning period to determine if the SMART objectives were achieved.</p>	By regularly reviewing progress in implementing the strategic plan, you will know whether or not you are on track to meet your SMART objectives. If you are falling behind, you can take necessary steps to make sure you successfully carry out the plan.

## PART II: LIST OF ATTACHMENT

TOPIC	ATTACHMENT
<b>Introduction to strategic planning</b>	Attachment 1: Overview of the Strategic Planning Process
<b>Listen to your stakeholders</b>	Attachment 2: Client Satisfaction Survey
<b>Vision statement</b>	Attachment 3: Tips for developing the vision statement
<b>Mission statement</b>	Attachment 4: Tips for developing the mission statement
<b>Strategies</b>	Attachment 5: Tips for developing strategies
<b>SMART objectives</b>	Attachment 6: Tips for developing SMART objectives
<b>Assemble and review the completed plan</b>	Attachment 7: Developing a Logic Model (for established NPOs)

## PART III: HELPFUL REFERENCES ON STRATEGIC PLANNING

AUTHOR AND TITLE	WHERE IT CAN BE FOUND	WHAT THIS REFERENCE COVERS
<b>Thomas Wolf, <i>Managing a Nonprofit Organization</i>, Simon and Schuster 2012</b>		
<b>The Community Toolbox: Chapter 3</b>	<a href="http://ctb.ku.edu/en/tablecontents/chapter_1003.aspx">http://ctb.ku.edu/en/tablecontents/chapter_1003.aspx</a>	This comprehensive website includes extensive capacity-building information for community organizations. Chapter 3 is called "Assessing Community Needs and Resources"
<b>The Community Toolbox: Chapter 10</b>	<a href="http://ctb.ku.edu/en/tablecontents/sub_section_main_1085.aspx">http://ctb.ku.edu/en/tablecontents/sub_section_main_1085.aspx</a>	This comprehensive website includes extensive capacity-building information for community organizations. Chapter 10 is called "Developing a Strategic Plan"
<b>Hildy Gotlieb, <i>3 Statements That Can Change the World: Mission / Vision / Values</i></b>	<a href="http://www.help4nonprofits.com/NP_Bd_MissionVisionValues_Art.htm">http://www.help4nonprofits.com/NP_Bd_MissionVisionValues_Art.htm</a>	Great resource on simplifying how to create vision, mission and values statements for not-for-profit organizations.

# PART IV: NPO SELF-ASSESSMENT: STRATEGIC PLANNING

Your NPO can use the following to identify areas where your strategic planning process works well and areas where it can be improved. For each part of the Strategic Planning Process, check the appropriate box to show whether the described standards are fully achieved, partially achieved, or not present in your NPO.

STRATEGIC PLANNING COMPONENT	ACHIEVED	PARTIALLY ACHIEVED	NOT PRESENT	COMMENTS
1. Our NPO has a formal strategic plan, which was developed with input from the Board and high-level staff.				
2. Our NPO has a written vision statement.				
3. Our NPO has a written mission statement.				
4. Our NPO has identified strategies for achieving its mission.				
5. Our NPO has identified SMART objectives.				
6. If our NPO has a formal strategic plan, we periodically review the plan to check on our progress.				



# PART V. SUMMARY OF ASSESSMENT RESULTS AND NEXT STEPS

<p><b>Parts of the Strategic Planning process where our NPO's performance is strong</b></p>	<ol style="list-style-type: none"> <li>1.</li> <li>2.</li> <li>3.</li> <li>4.</li> </ol>	
<p><b>Parts of the Strategic Planning process where our NPO needs to develop additional capacity.</b></p>	<ol style="list-style-type: none"> <li>1.</li> <li>2.</li> <li>3.</li> <li>4.</li> </ol>	
<p><b>Next steps—what actions will be taken to strengthen your NPO's strategic planning process?</b></p>		