WHAT YOU NEED TO KNOW

Strategic Planning

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COUNCIL on FOUNDATIONS
A community foundation’s strategic plan describes its long-term goals and objectives, and how the organization will work to fulfill them. Like any management tool, a strategic plan—with a process to develop that plan—helps an organization improve its work. Specifically, a strategic plan focuses the board’s energy, articulates explicit goals for the board and staff to work toward, and adjusts the organization’s direction, if necessary, in response to a changing community. A good strategic plan will:

- define the purpose of the community foundation
- build a consensus about where the community foundation is going
- prioritize projects
- establish a time frame for reaching goals that are realistic and consistent with the foundation’s mission
- describe how the community foundation will communicate these goals to its constituents
- focus the organization’s resources on key priorities
- provide a base from which progress can be measured
- prepare the organization to manage change
- inspire a sense of ownership among board members
- allow for flexibility—meaning the document isn’t set in stone

Basic Elements of a Strategic Plan

Regardless of how the strategic plan is organized (and there are several ways), it must describe the community foundation’s overall goals. The plan should answer four basic questions:

- What are the specific tasks that need to be accomplished?
- Who within the organization is responsible for accomplishing those tasks?
- What is the time frame for completing the tasks?
- How will we know when we are “finished?” In other words, what does success look like?

Some community foundations include the following elements in their strategic plans. The ideas listed here aren’t meant to be a prescription, but simply suggestions you might consider:

- **Overview or Executive Summary**: defines the purpose of the plan and describes how it is organized
- **Situation Analysis**: discusses the community foundation’s past and current status and includes community needs, organizational issues, and a comparison with other community foundations
- **Strategic Intent**: presents the organization’s vision for the future, its mission or purpose statement, and its core values
- **Strategic Issues**: examines the issues that must be addressed to move ahead, such as internal strengths and weaknesses and external opportunities and threats
- **Strategic Goals**: describes the overall objectives the community foundation hopes to achieve within a set time frame
- **Action Plans**: explains the tasks that need to be done, who will do them, and when they will be completed
- **Evaluation**: addresses how the community foundation will measure its success in carrying out the plan

### Ask Yourself

How often should our community foundation embark on the strategic planning process (annually, biannually, etc.)?

- How can we engage the board early in the process?
- What are the advantages of hiring an outside facilitator? What are the disadvantages?
- What qualities should we look for in a facilitator (level of experience, style, personality, references)?
- What is our budget for the strategic planning process?
- Where should we conduct the planning meetings or retreats? Who will coordinate them?
- How effective is the board when it comes to problem solving?
- What factors currently influence the board?
- Who is responsible for writing the strategic plan?
- Who is responsible for following up to measure progress?

### Frequently Asked Questions

#### Why do we need a strategic plan?

A strategic plan has many uses. It helps your board and staff:

- **Take action**: When developing the plan, the board and staff use their knowledge and vision, along with opinions from key community members, to develop or redefine the community foundation’s mission, vision, values, and goals. The planning process helps identify strengths to build upon and areas to improve.

- **Allocate resources**: Because a strategic plan precedes the annual budget, it serves as a blueprint from which to build the budget and operational objectives.

- **Make decisions**: The strategic planning process helps the organization prioritize and make decisions.

#### When should we undergo a strategic planning process?

Ultimately, the board decides when the organization should undergo a strategic planning process. However, as a CEO, you may consider initiating this discussion among board members.

Strategic planning is necessary when a community foundation is getting started or preparing for a major venture or change. The process can also help when things aren’t progressing as planned or when goals were not accomplished. Typically, community foundations engage in a full planning process once every three to five years. Depending on the community foundation’s board, culture, and operations, the process may take anywhere from one month to one year.
year. Once the strategic plan is finalized, the board should review it annually; and, if necessary, modify it to prepare for the upcoming fiscal year. Finally, remember to build in flexibility, in case something significant changes or a new opportunity arises.

What do we need to know before the planning process begins?

If you are responsible for coordinating the planning process, ask the board to specify two or three desired outcomes before you begin the process. Once you have these outcomes in mind, think about an agenda, roles, and expectations.

Should the CEO facilitate the planning process?

In some cases, the board may ask the CEO to facilitate the planning process. If the CEO has experience in facilitating and planning such a process, it will benefit the organization. However, it may be better to hire an outside facilitator to manage and lead the organization through the process—especially if the board is undergoing its first planning process or if it is in the midst of a transition. Outside facilitators bring a non-bias view to the planning process and can guide participants through difficult conversations.

What are the benefits to hiring an outside facilitator?

Professional facilitators:

- Are skilled at guiding groups. An outside facilitator is usually skilled in guiding group processes. Unless your board chair or a board member has skills in guiding unstructured group discussion, you should consider engaging the help of a facilitator.

- Are objective. As a neutral party, the facilitator can help the group reach consensus despite different opinions and agendas.

- Level the playing field. Facilitators mitigate the influence of dominant people, helping everyone participate in the strategic planning process.

- Allow members to participate. A facilitator can help the board and staff fully participate in the strategic planning process rather than sit on the sidelines.

- Defuse conflict. A facilitator can be bolder than a peer. He can identify conflict or unproductive behavior as he sees it and help direct it into a constructive conversation.

Where do we find a good facilitator?

The best way to locate a good facilitator is through word of mouth. You can ask your community foundation colleagues who they’ve used in the past, search previous community foundation listserv postings, or post a request yourself. The Council keeps a professional directory of community foundation consultants. To request this list, contact the Council at community@cof.org. You might also consult the following resources for more information:

- National Network of Consultants to Grantmakers: www.nncg.org/

- Community foundations in your region (see the Council’s Community Foundation Locator: www.cflocator.org/)

“I would strongly suggest that your board appoint a strategic planning oversight committee. If it doesn’t, the board or staff who don’t believe in strategic planning can cause tremendous delays to the process. Our committee meets every quarter to review progress, and reports back to the board.”

— Community Foundation Serving Boulder County
What are the steps of the strategic planning process?

Whether your board opts to facilitate the process with an internal or an external facilitator, here are some general steps to help you start the strategic planning process.

1) **Get organized:** Once you have your board’s commitment, hire outside help if needed, form a planning committee, and schedule dates for meetings and/or a retreat.

2) **Analyze what’s current:** Review the organization’s mission and history and identify each major area for discussion (financial management, fund development, accomplishments, communications, etc.). Talk to the local nonprofit community to better understand the current issues.

3) **Develop a strategy:** Determine whether your planning approach will focus on goals, critical issues (program emphasis, style of grantmaking, etc.), or scenarios (possibilities for the future). Once you’ve determined your approach, set your agenda.

4) **Conduct the meetings:** Convene the strategic planning group (all those involved in creating the plan) to generate the content for the plan. Discuss big-picture goals and the tasks required to accomplish these goals.

5) **Draft and refine the plan:** Select a plan format, develop a first draft, and refine and finalize the plan.

6) **Implement the plan:** Communicate the plan to stakeholders, monitor performance, and review and update the plan periodically.

What does a strategic planning committee do?

Some boards form an ad hoc strategic planning team to guide the planning process. The strategic planning team usually includes three to five board members (and sometimes staff members). The committee’s role is to plan ahead for the actual strategic planning process by outlining tasks, roles, and timelines. For example, the committee might coordinate every aspect of the strategic planning meeting(s) or retreat(s)—from creating the agenda to ordering meals. Once the strategic plan is in place, the committee is responsible for following up to make sure the tasks are addressed and completed.

Forming a strategic planning committee has its benefits. It ensures that planning ideas come from many individuals and that there is ownership on the part of the board. It also divides duties ahead of time, allowing more people to play a role in making strategic planning a success.

Why is it important to get the board involved?

To ensure that the strategic planning process is successful, the board must fully commit to it. From the start, you must involve board members in the process. This will not only encourage them to be present and participate in planning meetings/retreats, but will help build trust in the process early on.

One of the most important things you can do is assign trustees (or remind them of) their roles. Explain the purpose of the meeting, the tasks they have been (or will be) asked to accomplish, and why their participation is important. In other words, give them all the tools they need to prepare for the retreat and to contribute in a meaningful way.
How can we engage the board early in the process?

There are many ways you can involve your board members before the planning process begins:

- **Describe what’s in it for them.** Write a memo to your board members and explain the purpose of, and their role in, the planning process. You might include how their participation will benefit them and the community foundation.

- **Survey members.** A survey will help you identify important issues that should be discussed during the planning process. Surveys can be written or conducted online by using services such as Survey Monkey: www.surveymonkey.com or Zoomerang: www.zoomerang.com. You might also consider conducting an informal poll at the board meeting.

- **Interview board members.** Ask them: What do you want to see in or learn from the planning process? What are your expectations or concerns? Interviewing is usually best when conducted by an outside facilitator. That way, members can speak freely and confidentially. If you or someone else within the foundation is conducting the interviews, remember to keep questions neutral and open-ended.

- **Assign prep work.** Give the board members reading or “thinking” assignments to complete before the planning process begins. For example, in a strategic planning retreat, members might review progress against the last plan and the year-to-date budget figures. The board chair or meeting organizer should distribute any prep work assignments ahead of time, giving members plenty of time to organize their thoughts.

What are some tools we can use during the planning process?

Often, the “work” of planning can be done through group activities and exercises that get people thinking about the issues. There are many group activities that you can use; some will help your board members identify ideas and issues, others will help them analyze a specific problem.

Here is a list of options that may appeal to your board:

- **Brainstorming:** Brainstorming works any time a group needs to come up with a list of ideas as part of its problem-solving process. Ask members to generate, as a group, a free-flowing list of ideas on a certain topic, and record these ideas on a flipchart or on notepads. The list can focus on almost anything: current challenges, potential solutions, cause and effect, values and ideals, next steps. Ask the group to hold off on any discussion or judgment until after the list is complete.

- **Mind Mapping:** This process helps break down a problem, showing the causes and effects of, and the relationships among its different aspects. It can also be used to break down a task into smaller steps. To begin the exercise, draw a circle on a large piece of paper and write a word—that represents the issue—inside the circle. Draw separate lines (or circles) off the main circle and label them with different aspects of the issue. Add related ideas as spokes off those lines.

- **Miracle Question:** If the board could have one wish granted or one problem solved, what would it be? This tool encourages the group to frame the situation positively and focus on how it sees the issues in the future. The group should be as specific as possible in its wishes. It should not get caught up in the way to accomplish tasks or why something can’t happen.
• **Force Field Analysis:** This is a good tool to identify forces that could effect a possible change. To implement this exercise, create a chart with two columns, one labeled “driving forces” (factors that work toward the change) and the other labeled “restraining forces” (factors that work against the change). Brainstorm the specific factors that would go into each of these columns and study the list. Ask the group to circle two or three driving forces that can increase the organization’s strength and two or three restraining forces that can minimize it.

• **SWOT Analysis:** SWOT (Strengths, Weaknesses, Opportunities, and Threats) is a good tool for analyzing a situation both internally and externally. It helps to provide baseline information for a group that wants to envision the future or analyze a problem. Ask the group to identify its internal strengths and weaknesses and its external opportunities and threats.

• **Grouping:** This tool helps organize ideas into larger categories or themes. Ask each member to write down ideas on a sticky notepad (one idea per sticky note), and stick them to the wall or in the middle of a table. When all the ideas are displayed, ask the members to group and rank the ideas. They should do this without talking. The process continues until no one wants to make any further moves. The group then discusses its choices and checks for agreement.

**How do we decide what goes into the strategic plan?**

As part of the strategic planning process, the board should decide on its top three priorities and determine how the work will be accomplished. Be sure that you (or an assigned scribe) record ideas, plans, and decisions during the strategic planning meeting or retreat.

**Ideas:** On a large piece of paper, create three columns with the headings: “What,” “By Whom,” and “By When.” Use this chart to generate a list of actions that individuals will commit to on behalf of the group. Ask the group:

- What specific tasks need to be completed?
- Who is going to commit to action?
- What is the deadline?
- How will we know when we’ve completed the strategic planning process?

This is the basis of your plan. Keep in mind that plans can be formatted and written in a number of ways. Ask your colleagues for ideas or contact the Council’s Community Foundation Services staff for sample plans at community@cof.org.

**What makes a successful strategic planning process?**

As anyone who has participated in strategic planning would agree, it’s a process that requires much time and patience. While even the most effective community foundations don’t change overnight, strategic planning will help your organization evolve over time and help the board effectively do its work.
Resources


Leader to Leader Institute. http://www.pfdf.org

For further information email community@cof.org or call 703-879-0600.