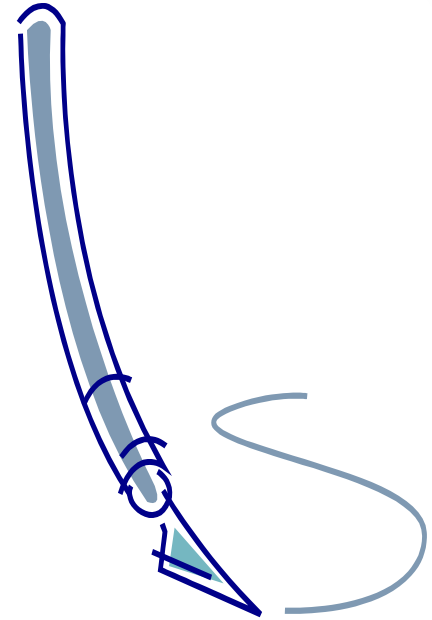
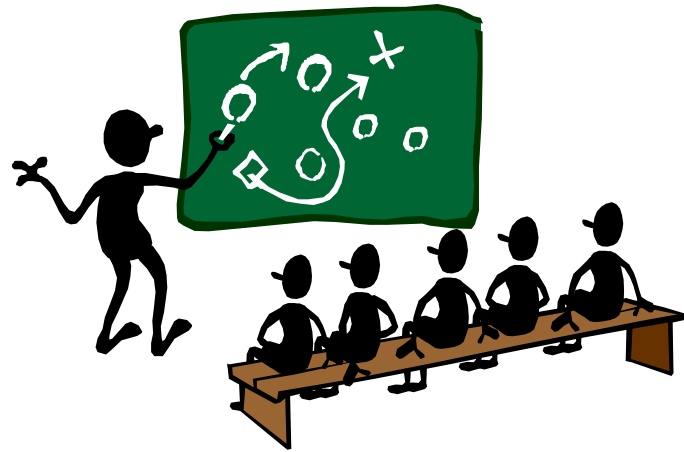


# Sharpening Your Strategic Advantage

Cindy Cheatham, Good  
Advisors LLC

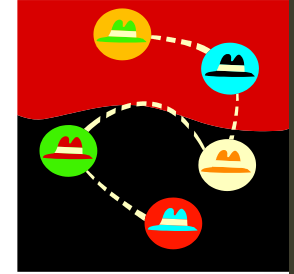


# Definitions



*He who fails to  
plan, is  
planning to  
fail...*

# Nonprofit Strategy Model



Nonprofit strategy is a coherent set of general ideas which explain how the organization is going to pursue its vision and carry out its mission during the years ahead.

Strategy explains how the key functional areas of revenue generation, staffing (paid and unpaid, ie., volunteers), and mission impact will operate and inter-relate.

Strategy is generated by the organization's commitment to accomplishing its mission and attaining its vision.

Strategy is a "broad formula", not a detailed plan.

# Strategy Development Process Continued...

## Mission & Identity Clarification &

- What is the “difference” the organization intends to make and “for what persons, places, and /or things?”
- Explain how you determine whether your organization is or is not accomplishing the mission.
- Explain the current state of the condition of the “persons, places, and/or things” for whom you want to make a difference.
  - Then explain its condition in an ideal world.
- Understand your values and any aspect of your approach to the work and how this influences your work

# Components of a nonprofit strategy

- *What are you trying to accomplish?*

Intended Impact



Theory of Change

- *How do you make impact happen?*

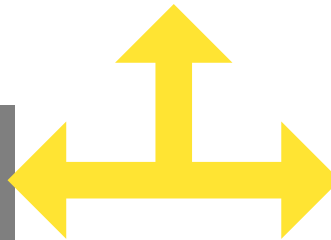


Program/  
Service Focus

- *What services do you want to provide to whom?  
When?*

- *What skills, staffing, systems, and structure are needed?*

Organization



Economics

- *What is the economic model to deliver the strategy?*

Performance metrics

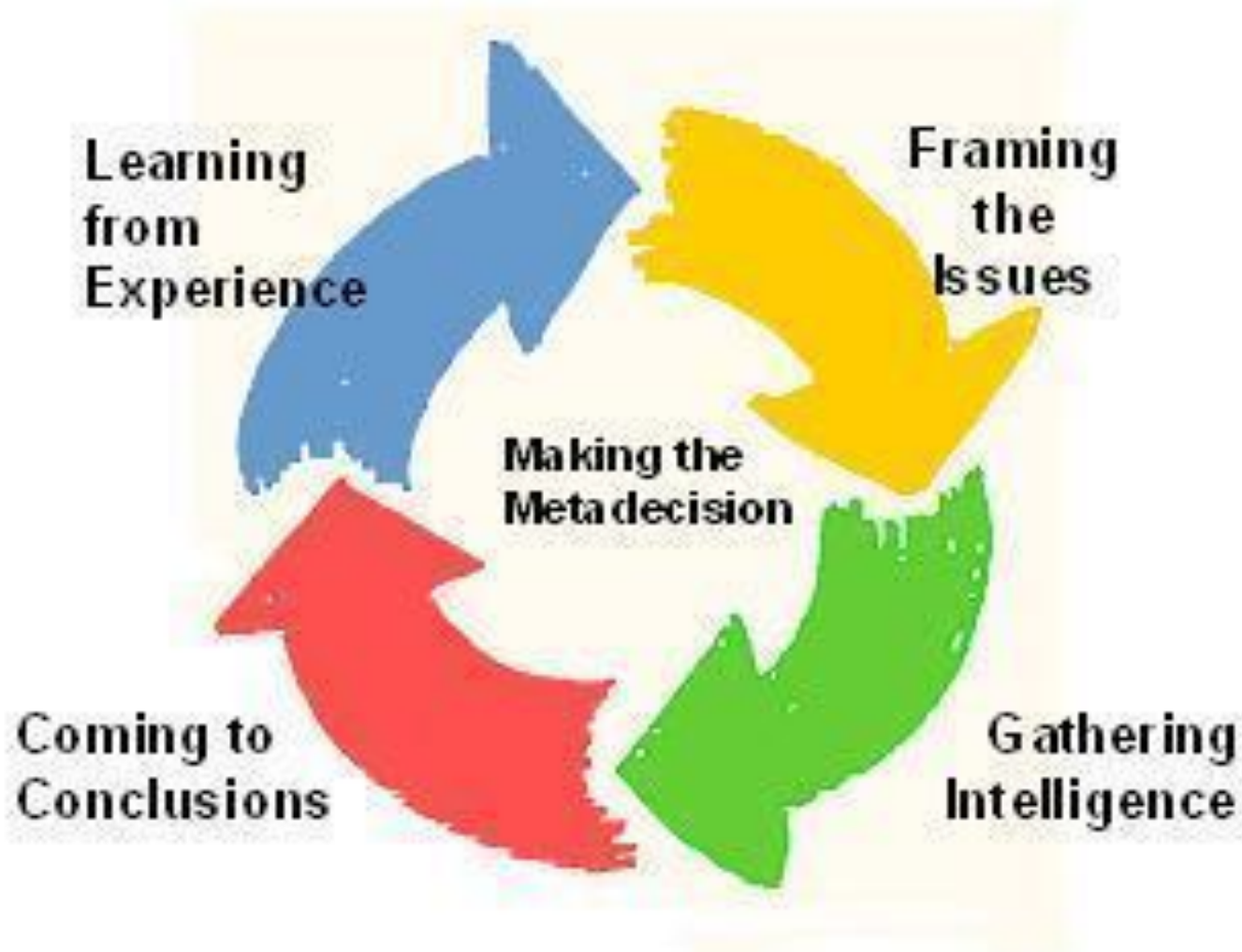
- *How do you know you're achieving the desired results?*

# Strategy Development Group Continued...

## Strategy Development

- Strategy development process is a creative act that involves analysis and intuition and creativity
- Outcome of strategic thinking is an integrated perspective of the enterprise, and a not-too-precisely articulated vision of direction.
- The strategy creates ideas about actions that serve as “strategy levers” to initiate increased performance. (e.g. composition of membership, products & services offering, revenue generation, staffing, volunteer engagement, etc.)

# Strategic Decision Making



# Example Key Strategic Issues

- Broad reach to target clients/mission or depth of impact?
- Focused geography or broader reach (and rationale e.g. funders, partners)?
- Direct programs and services vs. collaborative model or mixed model
- Current capabilities or new capabilities (and investments needed)
- Size and scope of growth and risk



# Lens for Decision-making

- Shared costs – e.g. ability to get more utilization of fixed costs e.g. a facilities
- Shared capabilities – e.g. leverage case management expertise to an adjacent service (and revenue stream)
- Competitive environment
- Risk-management – diversification of programs and revenue streams

# SWOT Analysis Template

**S**

## Strengths

- Advantages
- Experience, knowledge
- Unique characteristics
- Resources
- Geographical advantage, location
- Competence, capabilities
- Quality, reputation

**W**

## Weaknesses

- Disadvantages
- Gap in experience, knowledge
- Financial aspects
- Reliability and trust
- Loss of key staff
- Geographical factors

**O**

## Opportunities

- Strategic alliances, partnerships
- Product development
- Import, export
- Innovation an technology development

**T**

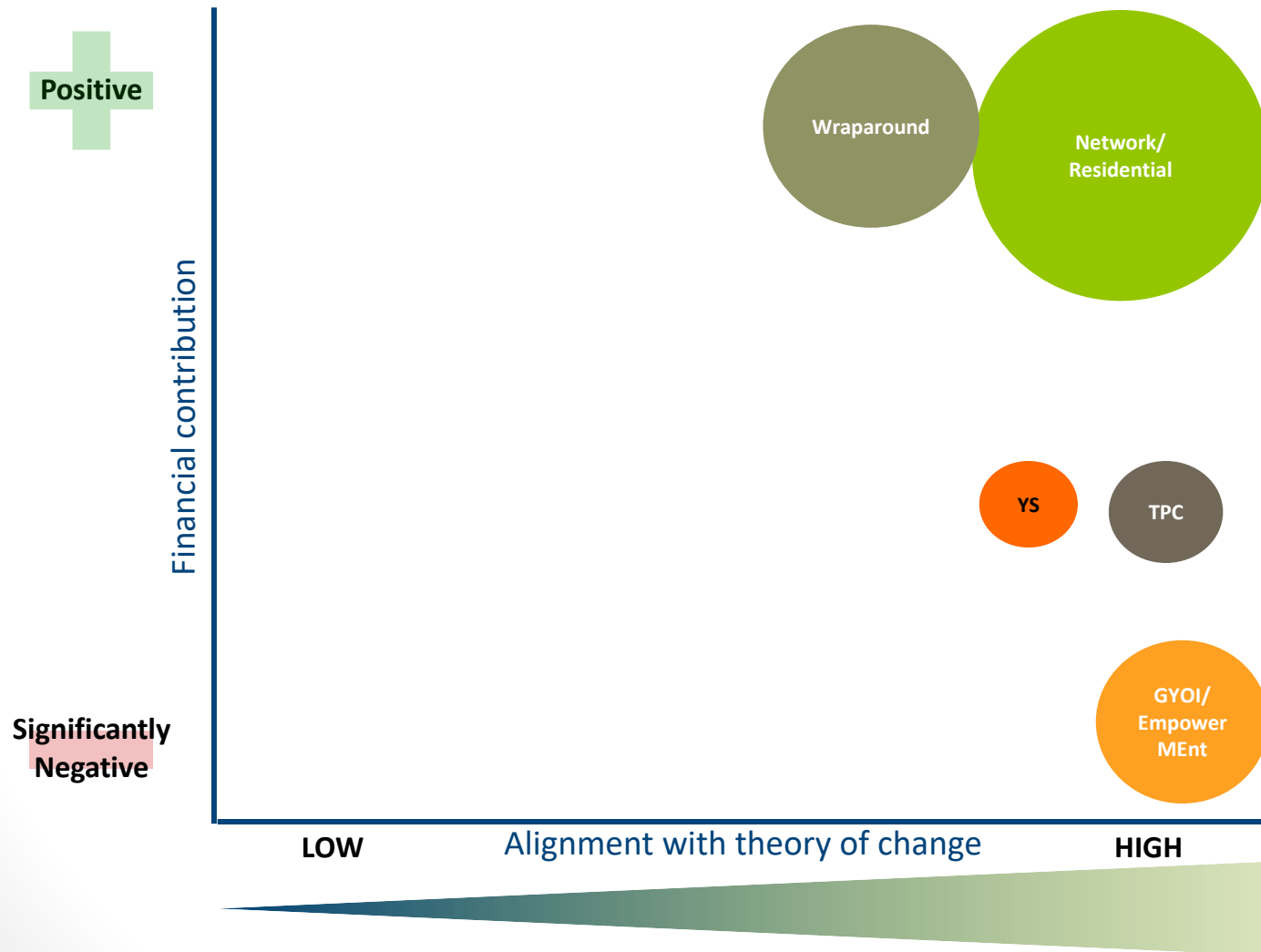
## Threats

- This is an example text.
- Loss af alliances and partners
- Price infaltion/deflation
- Strong competition
- Competitors new products and innovation

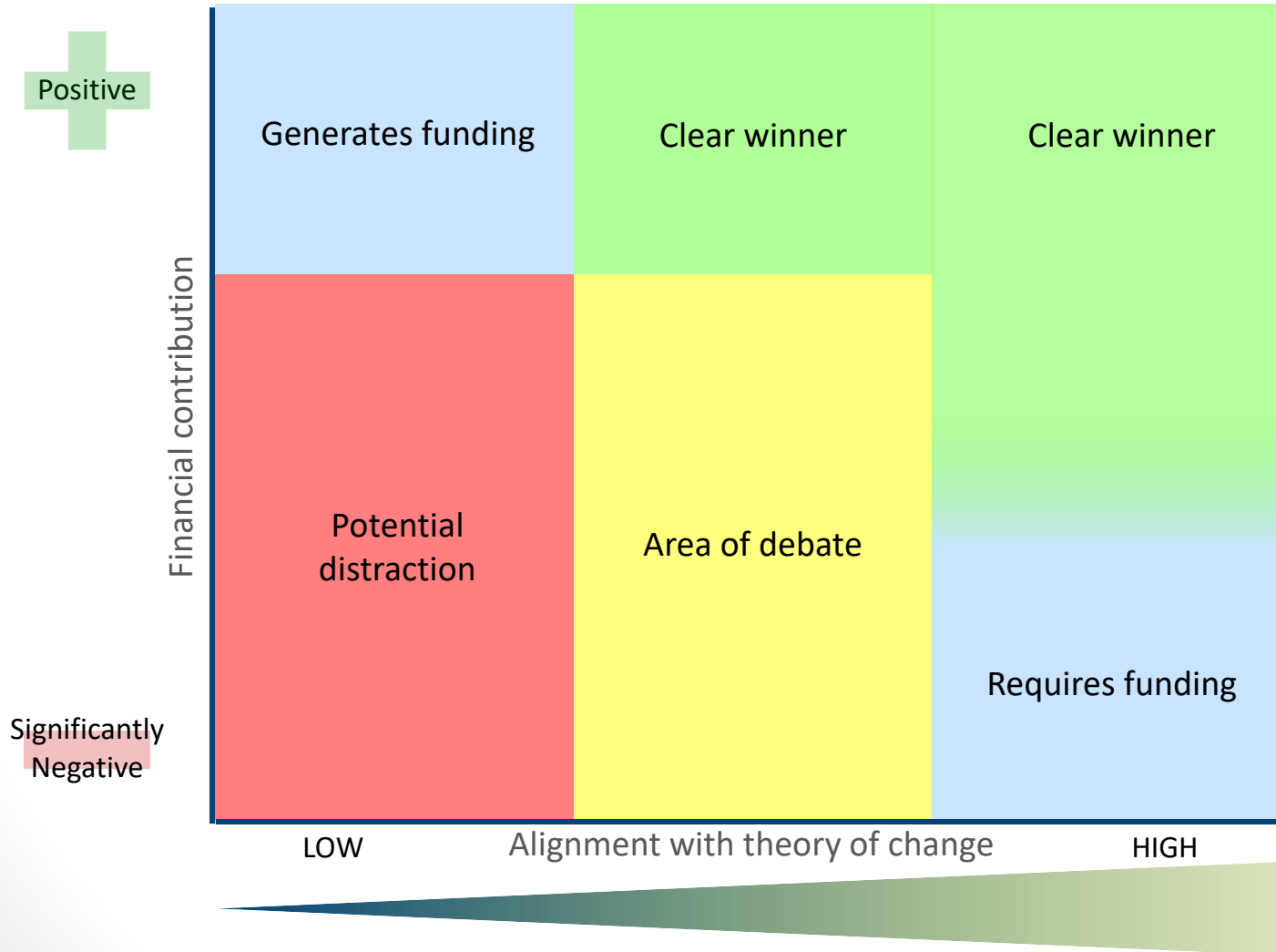
# Other Tools for Strategic Decision Making

- ✓ Cost/Benefit Analyses
- ✓ Mission Vs Money
- ✓ Market Research
- ✓ Feasibility Study

# Plot your organization's programs or sites on the program alignment matrix



We can organize the matrix into sections to help us categorize programs once they've been plotted



# Why It Matters?

*A goal without a plan  
is just a wish...*

# Benefits of Strategic Planning

Identification of breakthrough strategies, products and operational improvements

A clear road map that is understood and passionately supported

Resources that are allocated as appropriate on top priorities

Goals that are developed based on solid research and a common understanding

Goals that are aligned throughout the organization

Employees who are focused, engaged empowered and inspired

Risks and threats that are systematically identified and addressed

# Funders Expect Quality Strategic Planning

- Increasingly, funders and boards are recognizing the importance of creating a strategic plan through a consensual process involving multiple stakeholders
- According to a recent survey, 30% of grantors responded that seeing no evidence of a strategic plan is a deal breaker when they consider awarding grants to nonprofits.
- Strategic planning is a place to find out if the direction your organization wants to go is “fundable.” If you can’t show your direction is sustainable, **major donors** are unlikely to invest.



# Nonprofit Strategy Research

*Planning is bringing the future into the present so that you can do something about it now...*

# Strategic Business Plan Components

- **Background explaining the process used to create the plan**
- **A Mission Statement**
- **A Vision Statement**
- **Core values that guide the organization**
- ***Marketing plan***
  - *Target audiences*
  - *Value proposition to this audience*
- ***Member and Nonmember product and services offerings and plan for success with these offerings (products, price, placement, positioning)***
- ***Staffing Plan (employee and volunteer – board and working committees)***
- ***Revenue Plan/Business Model/Financial Plan***
- **Strategic Goals – 3 to 5 years**
- **Measurable Objectives**
- **Tactics**
- **Timeline for Execution- 3 to 5 year major activities and detailed one year plan**
- **Evaluation/plan to utilize, review and revise**

# Example Goals/One Page Plan Summary Blue Heron Nature Preserve

- **Mission:**
  - **Sustainably Activate the Preserve**
- **People:**
  - **Plan and Execute Successful ED and Board Succession and HR Plan**
- **Community/Partnerships:**
  - **Increase Awareness & Strengthen Reputation of Blue Heron**
- **Finance & Fundraising:**
  - **Plan & Grow Financial Resources**

# Who is responsible for planning?

- Board of Directors: Board Chair or Planning Taskforce Chair partnered with ED/CEO
  - Planning committees should be “ad hoc” with a finite start and a finite end date
  - Evaluation or updating ownership
- Full board participation, and adoption
- Staff participation - input and ownership of workplan by those who will be primarily responsible for implementing, but upfront and in action planning

# When should strategic planning be conducted?

- Critical when rapid change in environment, major initiative to be undertaken or new leadership
- Complete before annual operating plan, budget and goals
- Review at least annually, updating actions plans and adjusting as needed to reflect the environment and situation; annual retreat
- Full planning once every 3-5 years
- Full plan is typically minimum 4 month but more often 6 month process

# Skills Needed for Planning

- Strategic planning skills & experience
- Research & data analysis
- Facilitation
  - Useful to have outsider to allow staff and board to be participants and to ensure professional process
- Creative thinking and group-based problem solving, conflict management & decision-making
- Meeting management & proper agenda setting

# Example Timeline

	Februa ry to March	Mid April (Spring break wk 4/5)	End April	Early Mid May	End of May	June
Step 1: Plan to Plan, Stakeholder Input and Situation Review	Active	Active				
Step 2: Strategic Planning Meetings/ Retreat		Active	Active			
Step 3: Draft Plan & Socialize for Feedback			Active	Active	Active	
Step 4: Implementation Planning				Active	Active	Active
Step 5: Finalize Plan including budget implications					Active	Active

# Alternatives to Complete Strategic Planning

- Well-planned strategic retreat to do SWOT and establish goals framework for moving forward with staff or committees
  - Prep meeting
  - Retreat
  - Follow-up
- Deep dive into key strategic issue with senior staff/board task force leading
- Focus on two key questions
  - “What does success look like for us?”
  - What do we need in order to be positioned for this success? How do we resource?



# Discussion

- What does ultimate success look like for your mission?
- Why do you care about having a strategy and set of written goals and measures as volunteer board members?
- Where is the organization now? What is the situation internally and externally ?
- Where strategic direction /vision should be pursued?
- What are the most important levers/priorities to get there?
- What strategies will be needed
  - Board
  - Products and services
  - Marketing
  - Fundraising/income generation
  - Staffing
  - Infrastructure/other
- How do we need to go forward from here?

# THANKS AND GOOD LUCK!

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# Answer These Questions

What is our mission and how is our success against that mission measured

What are the opportunities to extend or enhance our mission impact and reach?

What must be delivered to accomplish the **mission** and successfully serve the community;

How **internal processes** must be transformed for future success including partnering and community outreach and program innovation;

What kind of **organizational capacity**—workforce, volunteer network, and technological infrastructure—is needed within and outside of the organization to effectively support the operations;

What **financial** resources are needed to operate and build the organization of the future.

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