

Strategic Planning in 7 Phases

“The best way to predict the future is to create it.”

-Peter Drucker

Strategic planning is an opportunity for a nonprofit’s board to step back from its everyday work and imagine where the organization can be in the future. The process includes re-visiting the vision, planning a roadmap to get there and grappling with thorny issues. A good plan points the organization towards the future, helps with decision-making and re-affirms priorities.

The planning process can take as little as a few hours and as much as a full year. It depends on an organization’s budget, resources and appetite for the process. Many small to mid-size nonprofits focus strategic planning in a one-day retreat. This guide is particularly useful for the short retreat venue.

Phase 1: Getting Ready

The first step in successful strategic planning is careful preparation. Board members’ time is a precious commodity, and you want to make sure it is spent as productively as possible.

1. Engage the full board in a discussion about the benefits of creating or updating a strategic plan. Get as much buy-in as possible from the full group at the outset. See overcoming objections.
2. Create a planning steering committee which should include the Board Chair and the Chief Executive, along with a blend of individuals with vision and a good sense of the organization’s capacity. Consider also the skills needed: financial, research, writing, etc. and the ability of members to create enthusiasm and momentum in the process.
3. Appoint a writer for the plan. This person will also summarize discussions during the process.
4. Determine who will lead the process. Often, it’s the Board Chair or the Chief Executive, but many organizations hire a consultant to lead them through the process.
5. If a consultant will be used determine your budget, decide what skills you are looking for in a consultant, and how you will select the right person.

6. Articulate a clear goal for the plan. State in one or two sentences, what you hope to accomplish by undertaking the planning process and what you hope to have at the end of the process.

Phase 2: Gathering Information

Many boards assemble a variety of data for the planning process. Here are some types of information that boards typically prepare for the planning process and distribute prior to the retreat:

1. History of the organization over past 5, 10 years or more – including service statistics, financial history, staffing patterns and notable milestones
2. Program descriptions
3. Community needs assessments
4. Surveys/feedback from those who have been provided service – both positive and negative
5. Financial reports or audits
6. Staff/board feedback on a variety of questions
7. Organizational chart
8. Community input on the extent to which the organization is known and how it is regarded
9. Trends that will affect the organization in the near term, including demographic, economic, societal, legislative, and environmental
10. Competitive information
11. Sector reports on pertinent topics
12. Board assessments, development plans, past strategic plans

Phase 3: Conducting the Retreat

The retreat day should be pleasant and signal this is not “business as usual”, but rather time taken to step back and plan for the future. Building ample time for discussion, reflection and camaraderie is an important part of the day. The clearer you are about what you want to accomplish at the retreat, the better the chances of actually achieving your goals.

1. Well in advance of the retreat, choose a date, time, and venue so that all board members can attend. Choose a location that is affordable but interesting to the group, so it really does feel like you’re getting away to plan.

2. Establish objectives for the retreat. You have already established goals for the Strategic Plan. What do you hope to accomplish at the retreat? What role will the retreat play in the strategic planning process? What do you hope to have accomplished at the end of the retreat?
3. Create an agenda that uses everyone's time productively and moves you toward accomplishing your objectives for the retreat. Don't expect to complete the plan that day. There's still a lot of follow-up work after the retreat.
4. Build some fun and social time into the event – perhaps dinner the evening before or other social activity that promotes teamwork and helps people get to know each other better.

Phase 4: Drafting the Plan

The steering committee should decide what the plan will look like. Do they envision a 5-page document with a series of appendixes? A single page listing what the organization will stop doing and what it will start doing? Is it prose or a table format listing each action, rationale, and expected outcome?

1. The writer takes notes during the retreat and drafts a plan reflecting the vision established by the steering committee.
2. The draft is presented to the steering committee.
3. Completed draft should be presented to the full board for discussion.
4. The board may decide to include a Tactical Action Plan - who is responsible for what, by what date, with what resources – or they may leave the Tactical Plan to the staff.

Phase 5: Ratifying the Plan

When the plan is complete, it should go to the full board for a vote. At this point, board members should have had at least one, if not more, opportunities for input. Once amendments are agreed upon, a final document should be ratified and dated, indicating that it is a working plan.

Phase 6: Communicating the Plan

1. Provide a copy of the plan to each board member and appropriate staff.
2. Review the plan with staff in a meeting encouraging discussion.
3. All key parties involved should know what is in the plan and support its implementation so that the document becomes a genuine road map for the organization's future.

Phase 7: Keeping the Plan Alive

One of the most common criticisms of strategic planning is that it sits in a drawer gathering dust.

Keeping the plan alive and useful requires work and focus.

1. Put the goals of the plan in a prominent location in your board meeting room.
2. Organize your board agenda around the goals of the Strategic Plan. List reports and key discussions under one of the goals.
3. Take time quarterly to review progress on the plan at a board meeting.
4. Update staff regularly on progress.
5. Use the goals of the Strategic Plan among key criteria for evaluating the Chief Executive.
6. Take time to review the plan during orientation of new board members.
7. Invite your retreat facilitator back in 6 months for a follow-up to the planning retreat or to attend a board meeting.

Overcoming Objections

You may find some resistance to the strategic planning process, particularly if board members have had bad experiences in the past. Here are some common objections and ways to address them:

- “Strategic planning is nothing but navel gazing” – Good governance requires that boards set a course for the future. An atmosphere outside of the hectic pace of a board meeting allows the board to discuss the larger questions facing the organization. The discussions that arise from strategic planning are vital to the health and success of the organization.
- “We’re too busy for this right now” – While there are certainly costs to taking time away from regular board activities, the costs of not taking time to plan for the future can be even greater by setting off in the wrong direction or missing opportunities. Many board members feel this investment of time at a retreat improves the productivity of regular board meetings.
- “The plan will only sit in a drawer” – With the right process, the Strategic Plan is a living document that is reviewed regularly and guides the board’s and organization’s work.
- “We’ll only have to do this again in another couple of years” – There’s no getting around the fact that in order to be effective, strategic planning must be done regularly – to evaluate progress against the plan, modify it if needed and then update it when the time is right. Done right, most board members welcome this chance to focus on the cause in which they deeply believe and chart the course of the organization. It’s why they joined the board in the first place.