

# STRATEGIC PLANNING

for Non Profit Organizations

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# INTRODUCTION



In the non-profit sector, strategy is regarded as a series of principal activities carried out by an organization, culminating in the fulfillment of its objectives and missions.

In this context, the mission clarifies why, what, and how things are done in the organization; it spells out its main approaches and values. It is what the organization dedicates its resources, time, and talent to. All those who contribute to the fulfillment of the organization's mission should participate in the process of jointly seeking and defining a strategic plan.

## It is a written document that:

- Analyses the current situation
- Spells out the organization's vision
- Provides future alternatives for development
- Outlines milestones and strategic decisions



# STRATEGIC TERMINOLOGY

The **strategic goal** is the long-term objective of an organization.

**Strategy** is the formulation of alternative routes leading towards the attainment of the strategic goal.

**Strategic planning** is the process by which an organization's members (the management, employees, and the board of directors, along with representatives of other organizations who have a significant influence on the organization concerned) plan the future of the organization and formulate conditions for the attainment of its objective. The agreements reached during this process are reflected in the strategic plan.

After its approval, the **strategic plan** becomes the fundamental document for the strategic management of the organization, which involves the implementation and monitoring of the organization's activities, and their possible amendment, so that they are directed towards the attainment of strategic goals.



## Experience has shown that plans should be made in order to:

- Increase output
- Manage resources more effectively
- Establish a clear direction for the organization in the future
- Direct attention towards the most important areas
- Strengthen teamwork
- Facilitate the solution of organizational problems
- Survive

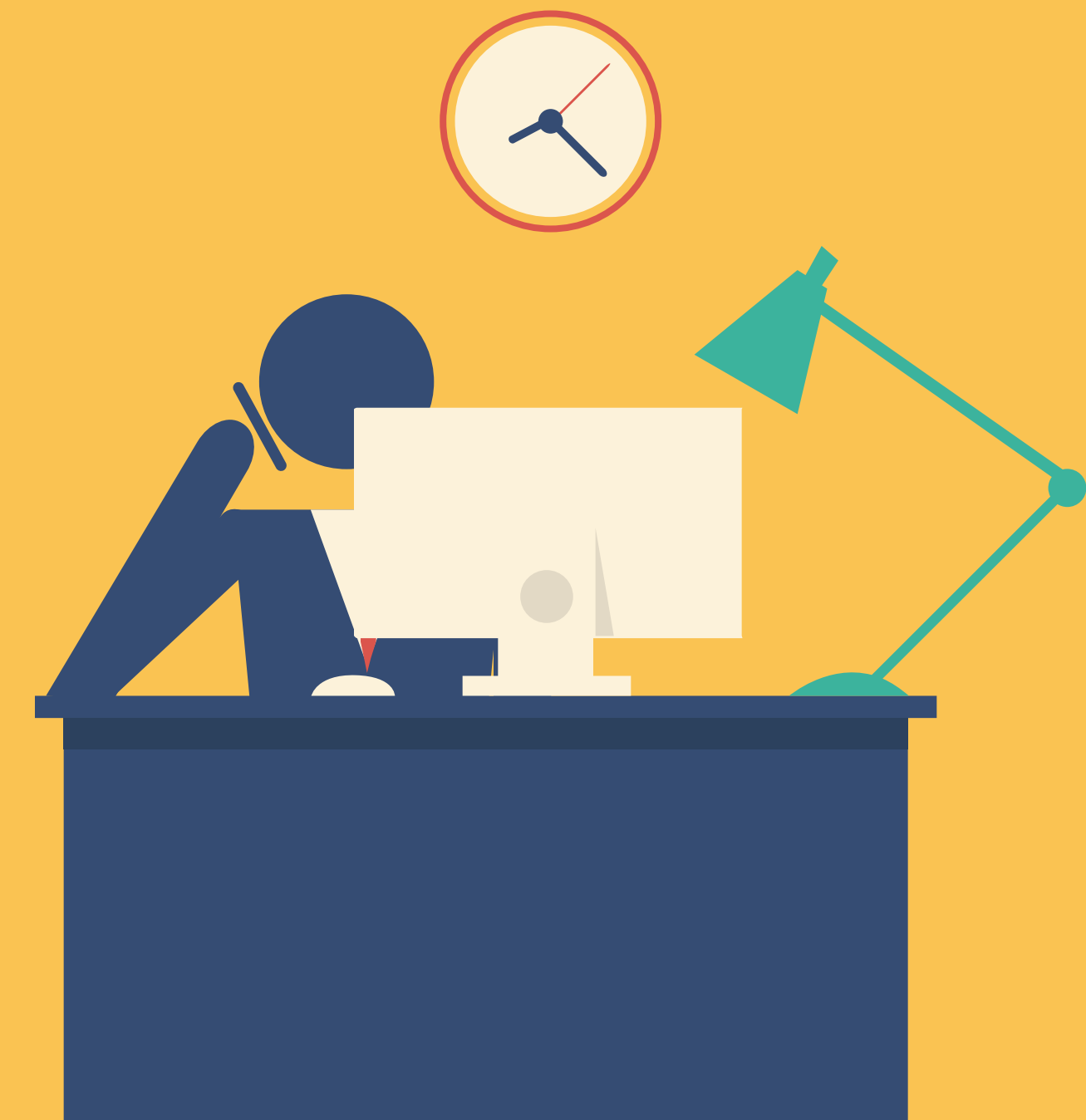


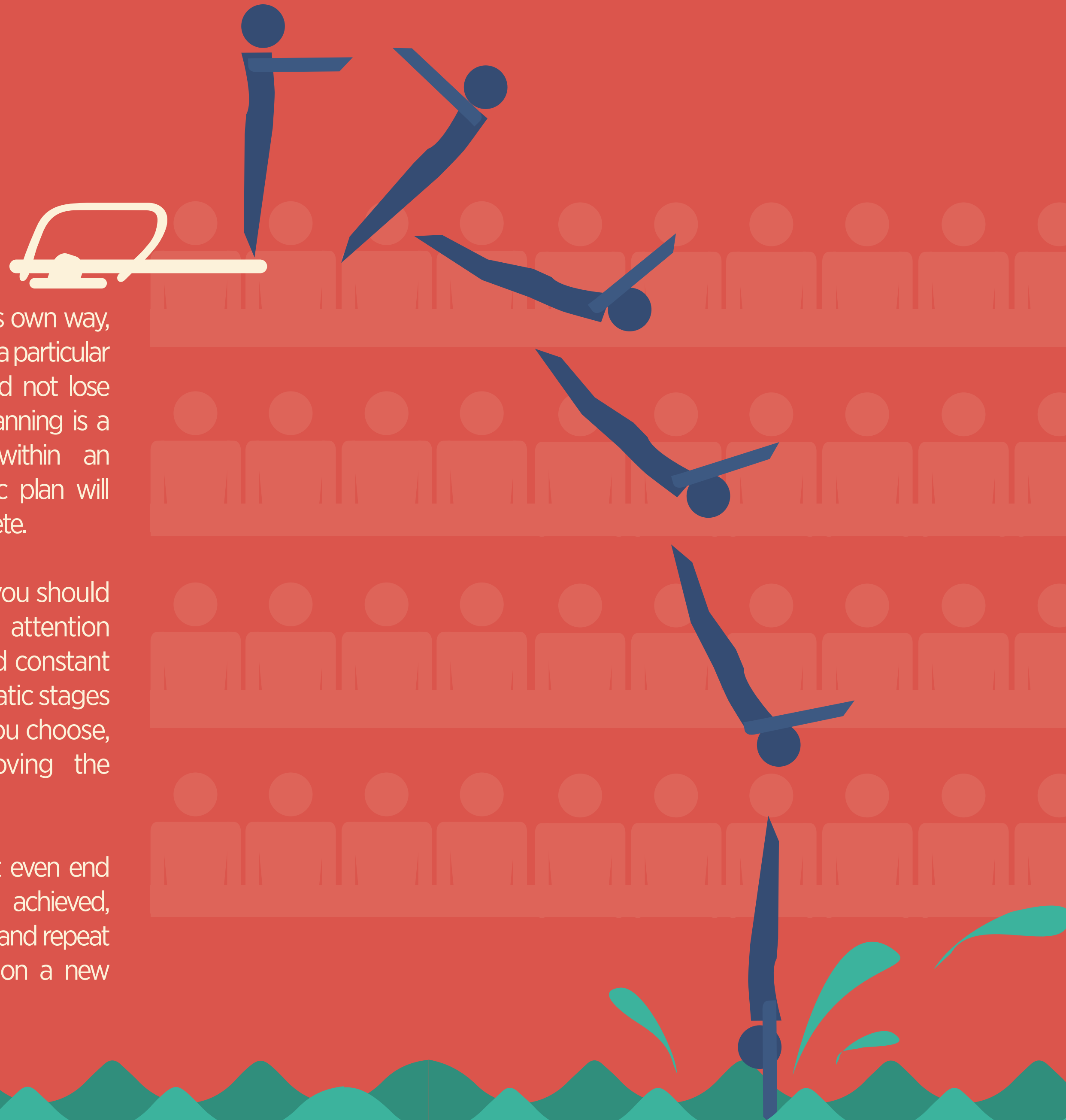


NGOs often argue that their hectic schedules leave them with no time for planning. They believe that planning represents a useless waste of resources, and point to a lack of money for such an activity. In the same way that organizations with a lack of effective financial management may fail, organizations that do not make plans and do not know where they are heading may suffer the same fate.

There are an infinite number of theories connected with strategic planning. However, all of them agree that the realization stage poses a problem for most strategies. To prevent this, it is crucial to follow these steps during the planning process itself:

- Accept uncertainty; observe external events and learn from mistakes
- Use innovative approaches
- Formulate detailed strategic documents concisely
- Trust your own intuition and work as a team
- Always look to the future





Every strategic plan is unique in its own way, stemming from the basic values of a particular organization. However, you should not lose sight of the fact that strategic planning is a way of thinking collectively within an organization, and that a strategic plan will never be perfect or entirely complete.

Throughout the entire process, you should concentrate your energy and attention more on creativity, flexibility, and constant improvement than on the dogmatic stages of a process. Whichever route you choose, the critical point after approving the strategic plan is its realization.

However, your work does not even end there. Evaluate what you have achieved, continue to follow spirals or loops, and repeat the creation of a strategic plan on a new qualitative level.

# Three basic questions when drawing up a strategic plan

The sequence in which individual questions are answered is very important. Many organizations immediately rush into planning and engage in activities without determining where they actually want to get to, or where they are at the moment.





# 01

## WHERE ARE YOU



This question directs your attention towards the analysis of the situation in which your organization currently finds itself, and an awareness of the environment in which the organization operates. The process of creating and realizing a strategy may be carried out using one of the following methods, or using an approach that lies somewhere in between.

There are a number of approaches to analysis that may be applied at this stage; however, 'SWOT', 'STEP', and 'force field' analyses may help to guide you through the maze of information available.



### SWOT

SWOT is an acronym for Strengths, Weaknesses, Opportunities, and Threats. Strengths are understood to be those attributes of the organization that help it to fulfill its mission, while weaknesses degrade the quality of its work and hamper the fulfillment of this objective. Opportunities are external realities that help the organization fulfill its mission and develop further, while threats hinder development and the attainment of these goals in some way. In view of the fact that both external and internal factors are subject to constant change, each analysis should actually comprise a number of SWOT analyses concentrating upon the past, the present, and the future. (For interpretations of SWOT analysis, see pg. 10)

STEP analyses involve an investigation of the external environment. When undertaking such analyses, you should ask yourselves which Social, Technical, Economic and Political factors affect the situation. These factors may include inflation, political stability, the age structure of the population, a lack of certain technologies, etc.



### STEP



### FORCE FIELD

Force field analysis concentrates upon the situation from the aspect of the factors influencing it. At any given point, forces are at work that benefit particular phenomena (changes, ideas, etc.), which are called driving forces. These are counteracted by restraining forces. The situation in which the organization finds itself may therefore be regarded as stemming from the interplay between these two opposing influences. If the aim of the organization is change, then this will only take place if the ratio of these forces alters.

# 02

## WHERE DO YOU WANT TO GO



At this stage, you should concentrate on the future.

- Create
- Design
- Seek Out
- Discuss



### VALUES

The principles upon which your organization is based and the approaches and standards that will be used to make decisions when attempting to fulfill targets.



### MISSION

The mission, which identifies the organization's raison d'être and answers the questions: "Why does the organization exist? What is at its core? What is it endeavoring to achieve? How will it achieve this?".



### VISION

The vision, which sets out the organization's aspirations and predicts how the world around it will look in a few years' time.

# 03

## HOW CAN YOU GET THERE



Once you are aware of your own abilities and the needs of your surroundings, and have a clear conception of your ideal future, then you can begin to concentrate upon creating a framework to achieve the desired results.

It is necessary to identify and describe a number of areas in detail, such as:

- Strategic opportunities for development
- Problems and priorities for their resolution
- Goals and quantifiable ways of gauging the success of their attainment.
- An action plan
- Realization and monitoring

The vision is your ideal image of the future; however, it may not necessarily be realized, and therefore the beautiful straight line leading towards it may in fact be a misrepresentation of reality – it is often more of a zigzag. Some approaches speak of ‘vision revision’ – a sober view of the possibilities of reaching your goals with the resources and facilities that you currently have at your disposal.



## VALUES

Basic values that the organization identifies itself with.

## MISSION

A path to the goal of the organization; a motto that should hang over the door and to which you should always return in order to assess whether you are heading in the direction of your choice.

## VISION

A picture of the ultimate, ideal situation; an image of the values acknowledged by your organization having finally come to fruition.

## STRATEGIC GOALS

Targets that, when met, lead towards the fulfillment of the mission.

# FACTORS IN STRATEGIC PLANNING



## SHORT TERM GOALS

Targets with shorter intervals in between, which must be met in order to fulfill strategic goals.

## STRATEGIES

Objectives and overall approaches that help you fulfill your goals.

## TACTICS

Specific approaches to the achievement of goals; for example, the continual provision of information concerning the nature of your project to interested institutions.

## EVERYDAY ACTIVITIES

Very specific activities; 'small change' with which your 'bills' are paid.

# STAGES OF STRATEGIC PLANNING

According to Bryan Barry in Strategic Planning Workbook for Non-Profit Organizations, the strategic planning process may be divided into five stages, which are:

## 01 PREPARING THE PROCESS

This stage concentrates upon the organization of the overall planning process. The more attention you pay to this stage, the easier it will be to manage those that follow.



## 02 ANALYZING THE SURROUNDINGS

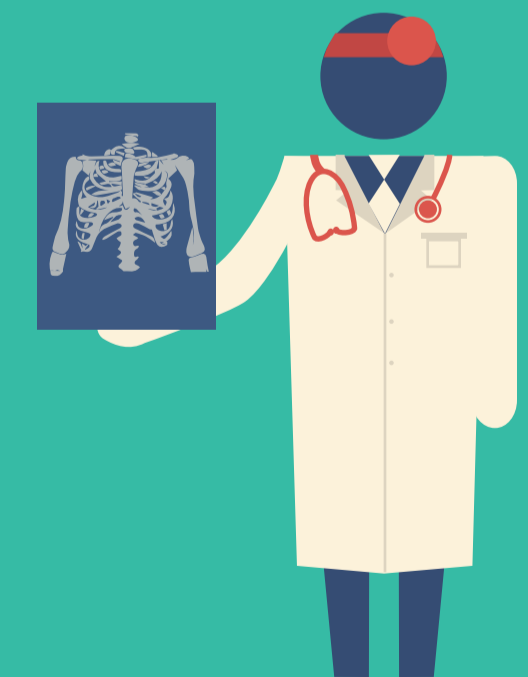
This stage involves a thorough assessment of the organization itself and the environment in which it operates, so that individual members of the planning team begin with the same level of awareness from the outset.



## 03 CREATING STRATEGY

Having completed the first two stages, you are now ready to begin creating a strategy – the orientation of the organization’s development. Choose an appropriate planning approach that enables you to discover, identify, and assess alternative concepts of the future, and create the strategy itself. There are three basic approaches to strategy creation:

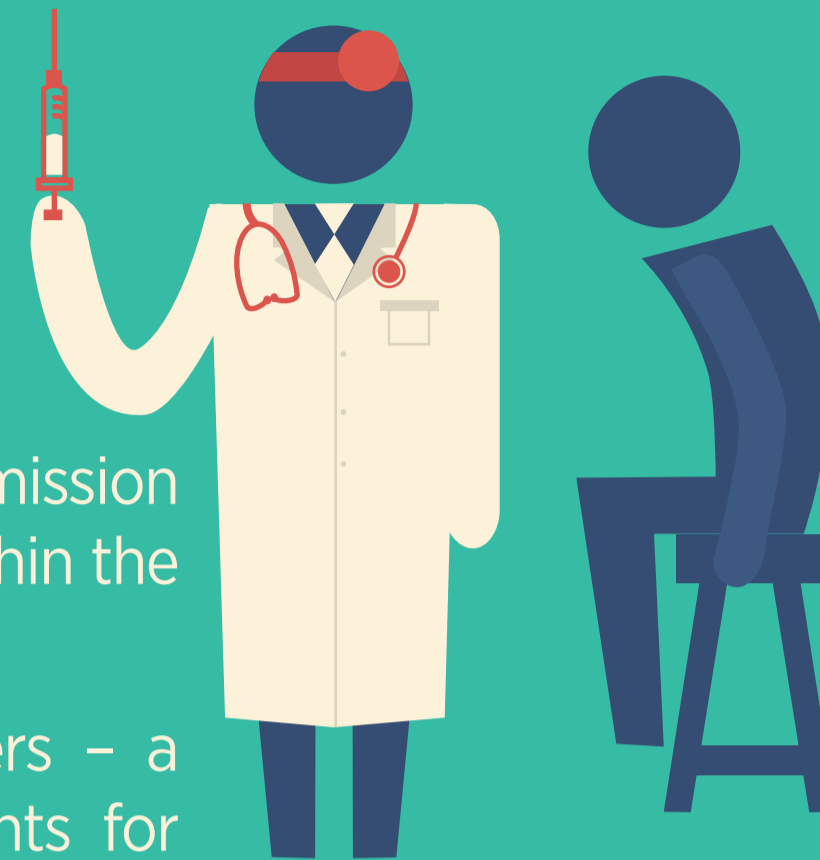
- Defining the scenario
- Defining critical points
- Identifying goals



## 04 DRAWING UP A STRATEGIC PLAN

The strategic plan usually contains:

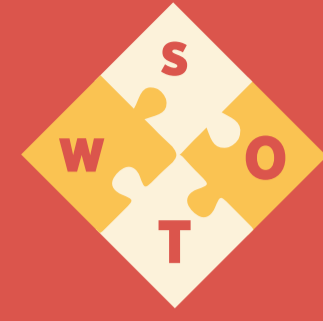
- **The mission and strategy** – a definition of the mission itself, and the strategy involved in fulfilling it within the planning period, focusing on individual years.
- A plan concerning employees and volunteers – a description of positions and work commitments for individual years
- **A financial plan** – a budget for each year of the planning period to ensure that any given action plan is feasible.
- **An implementation plan** – the main goals and tasks involved in realizing the strategic plan
- **Other details** – the strategic plan may also include a description of requirements and problems, a plan concerning facilities and equipment, a plan relating to the operation of the board of directors or the activities of members, a plan of the organization's structure, proposals for co-operation with other organizations, a description of possible risks, criteria for gauging the success of the plan's implementation, etc.



## 05 REALIZING A STRATEGIC PLAN

Your work is by no means over when your plan has been set out in writing and approved. On the contrary, it is just beginning. You must now start realizing your strategic plan by implementing individual action plans with specific tasks, responsibilities, and deadlines. This will also involve the ongoing supervision and assessment of the results achieved when carrying out various tasks, and the correction and updating of the strategic plan, if this proves necessary.





# DETERMINING STRATEGIES

For example, once you have completed your SWOT analysis, the number of strengths, weaknesses, opportunities and threats you have can help you determine which strategy you should adopt. Strengths and weaknesses can be compared to determine where the company stands internally. Opportunities and threats can be compared to summarize the external environment.

<b>SWOT Elements Present</b>	<b>Competitive Position / Strategy</b>
Strengths and Opportunities	Aggressive
Strengths and Threats	Diversification
Weaknesses and Opportunities	Turnaround
Weaknesses and Threats	Defensive

The rationale in each case is straightforward. If you have mainly strengths and opportunities, you can aggressively use your strengths to take advantage of those opportunities. If you are in a strong position, but find yourself in a threatening environment that lacks opportunities, you should diversify into an environment that provides you with opportunities to use your strengths.

If you have opportunities but due to internal weaknesses the organization cannot take advantage of them, the company must eliminate the weaknesses and replace them with strengths. This is the general goal of the turnaround class of strategies. If you have neither strengths nor opportunities, but are burdened with both weaknesses and threats, liquidation or a defensive strategy may be the appropriate option.



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