Many well intentioned nonprofit organizations approach strategic planning as a necessary but somewhat unpleasant exercise. They gather their Board of Directors together for a retreat that is meant to set the future direction for the organization but is largely based on “what we want to do” rather than “what we should do.” In our experience, these efforts may yield plans that quickly become irrelevant due to changes in the environment, or due to a lack of incorporation of the plan into the work of the organization.

The best strategic planning efforts involve an extensive and formal process undertaken by nonprofit organizations every three to five years (ideally three). A strategic planning process should be based on the following characteristics:

- A solid evaluation of activities that lists the strengths and weaknesses derived from evidence.
- A shared information baseline on the environment and how it will shift and change.
- The most relevant trends and influences.
- Solid market knowledge in the organization’s fields of service so that opportunities and threats (challenges) are correctly identified.
- Business planning around opportunities conducted to ensure the feasibility of the planned initiatives.
- Clearly identified expected outcomes or key results.
- Annual updates to ensure continuing relevance (after initial multi-year framework is created).

A strong planning process relies heavily on the gathering of objective information that is shared with key stakeholders. Decisions are made based on the information, allowing stakeholders to feel confident with their selected course of action.

Who is involved?
The leadership of a nonprofit organization should determine who will lead the process and who will be involved. Typically, the Board of Directors will establish a strategic planning committee, led by a Board member, including the executive director and 3-5 Board members.

Organizations can also include outside stakeholders as advisors to the process and include them as members of the committee as well.

What do you want to learn?
Strategic planning is an opportunity to learn. By gathering a robust base of information to support the process, planning can be a method to increase the knowledge and understanding of those involved on the committee, as well as your Board of Directors as a whole. Determining the most relevant information to collect as part of the process should be driven by an understanding of the organization’s critical issues. Critical issues could include your program portfolio, challenges with funding, physical plant issues or staff related issues. There is a wide array of information that could be collected, both internal and external.

Types of internal information and analysis:

- Financial analysis - organizational level
- Program performance – financial & evaluative
- Climate survey of staff and/or focus groups with staff
- Board of Directors functioning survey and/or focus groups with Board of Directors
- Assessment of nonprofit management systems
- Review of health of relational strategy (funders, donors, partners, community)
- Focus groups with clients

Types of external information and analysis:

- Interviews with stakeholders and partners in the community
- Market information for programs and services
- Competitor analysis
- Identification of and comparison to comparable organizations in your field
- Quality assurance/program evaluation data or evaluations of similar programming by others
- Review latest industry best practice literature

(Continued on page 23)
The key is to design the information base, to determine how or who will gather information and how it will be presented back to the group.

**What is the process design?**
Once the information base is designed, the committee should discuss how it would like to oversee the process. Typically, a planning committee will meet 3 or 4 times while the information is being collected, with periodic updates to the full Board of Directors. These efforts may then culminate with sharing the information with the full Board of Directors over either a series of meetings or in a retreat format.

**Will you utilize a consultant?**
The strategic planning committee should discuss whether or not it would like to utilize a consultant to support the process. Key questions to ask are:

- Is there a budget to support the planning process? If not, will we reach out to our funders to determine the feasibility of funding a planning effort?
- Are there critical issues that must be addressed by the process that require third-party facilitation and expertise?
- Do our staff and/or committee members have the expertise and availability to support the information gathering effort?

**How will you write the plan?**
With the data and evidence gathered, a strategic plan is constructed, typically through a series of meetings with the committee and/or Board of Directors that has the following components:

- Vision, mission, values
- Corporate level goals
- Identification of strategic issues and strategies to address those issues
- Prioritization of capacity building to support goals
- Identification of a set of key result areas by which the Board can steer the organization and monitor implementation

**How will you implement the plan?**
The strategic planning committee, if ad-hoc, can continue its role or can transition its oversight responsibilities to the executive or governance committee. Ideally the plan is a living document, reviewed and updated quarterly. The key results in the plan inform the creation of an organization-wide dashboard of metrics to monitor. The plan should also act as the basis for the creation of annual goals for both the Board of Directors and the executive director.

Although undertaking a planning process may initially seem daunting, the benefits of a robust planning process are numerous. Most importantly, a shared vision for the future and a path to move toward that future is established. Your organization’s success is a result of your choices. Strategic planning, based on objective information, is a way to make good decisions about those choices.

Fio Partners ([www.fiopartners.com](http://www.fiopartners.com)) is a consultancy for nonprofits organizations and foundations. We help leaders make better decisions. Anne Yurasek has been an organizational development consultant and trainer for over fourteen years in the nonprofit and private sector.