

Operational Guide

Strategic Planning



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Introduction

“Taking a long-term view doesn’t require brilliance, but it does require dedication.”

— Bill Gates¹

It’s another summer season at the animal shelter, and the staff is feeling pushed to the limit handling so many animals. At the incoming counter, they’ve seen several litters of kittens being released by owners who cannot find homes for them. Most of the holding cages and kennels are full, and you can almost hear the staff wondering if their work is really making a difference amid the gridlock of a never-ending stream of animals to examine, assess, care for and, hopefully, place into new homes.

As the executive director/CEO, you try to reassure your staff that this stress on them and the organization is the annual “kitten season,” and it too, shall pass. But will it? Can you identify why there are so many animals in your shelter and how to reduce the number of unwanted animals in your community? Have you evaluated the impact spaying and neutering programs, the economy, or number of feral cats in your community may have on the number of unwanted, lost, or stray animals coming through your doors?

By engaging in strategic planning, your organization can delve into these issues more and turn your focus to programs aimed at dramatically reducing these numbers. Participants in the planning process may identify trends about owner relinquishment of cats, for example, and then decide if reducing the number of litters relinquished is a priority for the organization. If it is, your strategic plan can allocate resources and establish measurable outcomes.

Another typical challenge you likely face is securing funding. Tight government budgets, rising expenses, and other animal-related organizations force many nonprofit or public organizations to pursue the same donors and loyalties.

As a leader of your organization, how can you make more informed decisions about priorities for the next few years? What factors influence your annual budget? Strategic planning is critical for organizations that want to thrive, not just survive, especially during challenging times. Successful leaders of nonprofit or public agencies need to be strategists. They need to effectively plan their own daily schedule and, at the same time, champion dreams for the organization’s future.

What is Strategic Planning?

In *Strategic Planning for Public and Nonprofit Organizations*, John M. Bryson defines strategic planning as the “disciplined effort to produce fundamental decisions and actions that shape and guide what an organization is, what it does, and why it does it.”² In their book, *Strategic Planning for Nonprofit Organizations*, Michael Allison and Jude Kaye provide another level of specificity in their definition. “Strategic planning,” they say, “is a systematic process through which an organization agrees on — and builds commitment among key stakeholders to — priorities that are essential to its mission and are responsive to the environment. Strategic planning guides the acquisition and allocation of resources to achieve these priorities.”³

Strategic planning is not the same as older model of long-range planning, nor is it a

business plan. Long-range planning does not look outward or collect data from the key decision makers, both internal and external. Long-range planning relies only on key participants to propose goals, without challenging assumptions or trends. Strategic planning, instead, takes into account external changes that have occurred since the last planning process. Leaders usually drive long-range planning from the top down, sometimes creating them quickly (even if it is in a vacuum). Strategic planning, therefore, is more valuable. It is more inclusive and allows an organization to be more nimble amid ever-changing dynamics. It addresses issues the organization faces, rather than simply asking each department to write a list of goals for the plan.

A business plan depends on the strategic plan, yet it typically requires revenue and expense projections and often the documentation to show investors or lenders.

Strategic planning is also not the same as strategic thinking. Strategic thinking is a skill, an attitude about how you go about your business. Strategic planning is a process with an outcome that documents the strategic goals and objectives, guiding principles, mission, and vision of the organization.

Why Plan?

The planning process feels daunting because it takes time, data, discussions with several participants, decisions about key issues or resources, and ultimately, regular updates. There are, however, many benefits to this process and, if done right, an organization achieves both direct and indirect benefits. “It helps the members of an organization bring into focus its priorities, and it improves the process of

people working together as they pursue these priorities,” explain Allison and Kaye.⁴

Each organization is in a different stage of development, facing unique issues, so the need to undertake the strategic planning process varies. In a workshop sponsored by the United Way of King County (Washington), facilitators suggest four questions to frame your discussion around readiness to begin the process⁵:

- In what ways would strategic planning help your board and organization at this time?
- Are there specific decisions your organization faces that you would want addressed in the strategic planning process?
- Would having and implementing a strategic plan require that your board operate in a different way? What differences? What changes would be required of the Executive Director/CEO? Of staff?
- Can you identify issues facing your organization that would not appropriately be addressed in a strategic planning process? What issues?

Going through the process is almost as important as the finished plan. Formulating strategies and going through the process leads to clarity around the outcomes, consensus within your organization, and improved program quality. Henry Mintzberg wrote in *The Rise and Fall of Strategic Planning* (1994) that, “The role of leadership becomes not to preconceive deliberate strategies, but to manage the process of strategic learning.”⁶ Good management is, in part, how one frames the questions and manages the answers throughout the strategic planning process.

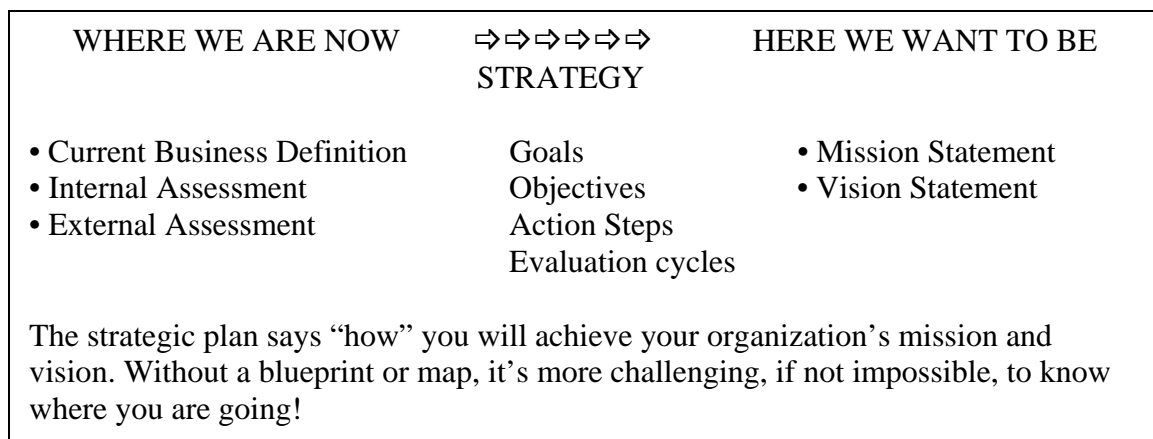
The decisions made as a result of strategic planning often increase accountability within an organization. Jan Elster of Jan Elster and Associates adds that planning maximizes the use of limited resources and makes it easier to get good, functional board and staff members.

The following diagram places the strategic plan in a pivotal spot for creating an organization that is focused on the future and is strategic in making decisions and plans:

When Not to Plan

Do not undertake the strategic planning process when:

- The organization is not ready.
- The organization is in the middle of a major crisis.
- There is no champion for the process at the leadership level.



Strategic planning cannot predict the future. The environment continues to change, and we will know more tomorrow than today. The plan is based on current information. It is not a substitute for judgment now or in the future. Strategic planning simply provides a platform for informed decision making.⁷

However, strategic planning will NOT:

- Solve problems of dissension, apathy, board incompatibility
- Create competence
- Create resources
- Make results happen

The Strategic Planning Process

Several planning models exist, and no one approach is better than the others. And yet, from John Bryson to United Way, from Peter Drucker to the Wilder Foundation, all good planning models include the following 10 steps:

1. The board and executive director/CEO commit to supporting the effort and monitoring progress of plan.

Without the key decision makers' support, an organization will waste time and effort. Make sure to emphasize the importance of the plan and remain positive about the process. As soon as possible, address the reasons for any apprehension among staff or board members. Do whatever you can to make the meetings efficient, convenient, and productive. Consider forming an ad-hoc strategic planning committee, if one does not already exist. Include staff, board, volunteers, and appropriate community representatives if possible. Consider hiring an experienced consultant to facilitate parts of the whole planning process, if necessary.

2. Leadership champions the strategic planning process and understands it as a continual, never-ending, process for the organization.

The planning cycle is constant; know this upfront. After planning comes the implementation stage, but before taking action make sure the decision is "a go." Then, evaluate how it went and make necessary revisions, if needed, before planning the next step.

3. Form a planning team. A combination of staff, volunteers, board (past and current members) makes for a stronger plan and aids in getting buy-in from all levels.

4. Gather data on trends, needs assessments, and other pertinent information. Collect input from stakeholders as well. Conduct a SWOT analysis (strengths, weaknesses, opportunities, threats).

Stakeholders are defined as "any person, group, or organization that can place a claim on an organization's attention, resources, or output or is affected by that output."⁸ Stakeholders can be internal, such as the executive director/CEO, board, employees, past board members and volunteers. Don't forget your external stakeholders (such as clients, community leaders, funders, regulators and relevant policy bodies, and competitors).

Every strategic plan starts with information. Assign the planning team and/or your senior staff to collect information on industry-wide trends or community issues. Your own service data will be a main source of this data. Can you and your senior staff report on the financial trends of your organization? Do you gather client feedback (through surveys) on a regular basis? What regulatory changes or changes in your community would be important to know when considering future programs and direction?

Obtain additional data through community reports from United Way (or local nonprofits or universities), recent census data, and/or studies published about pet owners (such as the National Pet Population Council studies, American Pet Products Manufacturers Association's National Pet Owners Survey).

Another layer of valuable information comes from the results of your SWOT analysis. Conduct interviews, surveys,

and/or focus groups with as many stakeholders as possible. Ask them the following four questions:

- What are the **Strengths** of the organization?
- What do you see as the **Weaknesses** (or where can we improve)?
- What future **Opportunities** do we have to pursue our mission?
- What major external or future **Threats** do we face that might hinder the pursuit of our mission?

Record the answers on flip charts, then gather the planners to carefully discuss and analyze the information. Many times an opportunity can only be taken advantage of if the organization has a corresponding strength.⁹ Refer back to these responses when developing strategic goals.

5. Review, reaffirm, and revise, if necessary, the mission statement. The organization's purpose is the foundation used to determine priorities and write the plan. Mission statements briefly describe what the organization believes, why it exists, and what it does.

The strategic planning process is an appropriate time to check if your mission statement is still current and if it is powerful and meaningful. Also, does your organization's mission differentiate you from other similar organizations?

The reason all strategic planning models include a review of the mission statement is best explained by John Bryson: "A strategy may be thought of as a pattern of purposes, policies, programs, actions, decisions and/or resource allocations that defines what an organization is, what it does, and why it does it. A strategy,

therefore, is the extension of an organization's (or community's) mission, forming a bridge between the organization and its environment."¹⁰

6. Review, reaffirm, and revise, if necessary, your vision statement. At some point during or after the strategic planning process, the planning committee or the leaders of the organization should discuss the organization's vision of what success looks like or how they envision the ideal future. Some experts even suggest going through several strategic planning cycles before attempting to craft a vision statement. Regardless of when it's created, a vision statement is important and should be periodically checked to ensure it is still in focus. Vision statements should be inspirational, brief, and take little or no explanation.

Jim Collins, author of *Built to Last*, believes visionary companies have a BHAG, which stands for a "Big Hairy Audacious Goal." He states that, "a BHAG only helps an organization as long as it has not yet been achieved."¹¹

Two of the most cited vision statements ever made are Martin Luther King Jr.'s "I have a dream" speech and John F. Kennedy's dramatic declaration that by the end of a decade, "we will put a man on the moon."

One suggestion for starting the visioning discussion is to ask the planning participants to imagine that it is five or ten years in the future and that a newspaper reporter is doing a story about your organization's accomplishments. Ask participants to write the headline for that article, draw a picture or photo (with a caption) to go with the story, or write the fictitious article itself. Have everyone

share their creations, then draft a vision from the common themes.

7. Identify key issues and select top strategic priorities/goals. There are several approaches to this step of strategy development outlined in the books cited at the end of this guide. Typically, an organization's leaders organize a strategic planning retreat for all the necessary parties to make decisions about the key issues and strategic priorities. If you work with a facilitator or consultant who is experienced in strategic planning processes, they will suggest several meetings before and after the retreat to reach agreements and draft a proposed plan for board approval.

Now, discussions change from the higher, theoretical level to the more specific level. Now, the organization commits to action. As choices form, it's time to narrow down the strategic goals. Fair warning — by its nature, this is a messy and non-linear process!

Part of strategy development includes brainstorming options to address critical strategic issues. Consider what assumptions, facts, and values support the proposal. Also address possible barriers to implementing the proposals as well as the resources (i.e., financial, human, in-kind) that may be required.

Most strategic planning experts advocate that organizations establish only three to five strategic goals in their plan. Ideally, each goal embodies two or more specific objectives.

Once the group reaches agreement on the strategic goals, the plan is almost ready for compilation.

Test your organization's goals by asking yourself the following questions.

Do the goals identified:¹²

- Clarify your organization's mission statement?
- Specify the overriding purposes of the organization?
- Provide the foundation for developing targeted programmatic activities and operational plans?
- Provide the basis for assessing the major priorities of the organization?

8. Write the strategic plan. This step does not require a committee or large group to complete. Select someone to write goals and objectives for each strategic issue, and then put the plan together in a format that is acceptable and appropriate for your organization.

Strategic plans usually follow this format:

- Table of contents
- Brief summary or introduction
- Mission, vision, and values statements
- Any mandates that impact the organization, the planning process, or the vision of success
- Top strategic issues with a set of goals and strategies for each

Staff then writes an action plan or "operational plan" with guidance and final approval from the board. This detailed plan lists the action steps required to implement the objectives. It names the deadlines for each action step, outlines any budget implications, and says who is responsible for what and what resources are needed. This is the internal document used to track progress.

Helpful Definitions:

Goal – a statement of what you want to achieve (must be linked to the vision and mission), generally set for a period of three to five years but do not have time frames.

Objective – a precise, measurable, time-phased result that supports the achievement of a goal. They describe who will do what and by when.

Operational Plan, or the Action Plan – the detailed listing of steps (or tactics) to be taken to accomplish each objective. Must include timeline for each action step, who is accountable and budget implications.

9. Take the strategy public.

After the board of directors approves the strategic plan, share the information with your stakeholders. This is an opportunity to inspire, educate, and recruit. Share a

brief summary of the plan with staff by inserting it in the employee manual, including it in new employee orientations, and posting it near the time clock or employee lounge, for example. Tell volunteers about it by including information in orientations or in newsletter articles, and give it to potential board members.

10. Regularly review progress, give updates, and celebrate accomplishments.

The last step in most strategic planning models deals with what happens after the plan is implemented. You must make the plan part of the organization's culture, language, and annual budget process. Otherwise, you risk it ending up on a bookshelf collecting dust. Therefore, celebrate accomplishments and build in regular updates (quarterly or biannually) to the board. Then, plan an annual session to review and adapt the plan with a planning committee.

Conclusion

“The greatest future challenge for both leaders and individuals is not whether they will be able to ‘surf the net’ but whether they can effectively lead and participate in a knowledge-based workforce. Leadership will require a deeper and wider consciousness, perception, vision, and wisdom. The skills to think in the future tense will be imperative.”

— Jennifer James¹³

This guide provides only an outline of the strategic planning process. Organizations may not follow the 10 steps in this exact order, or they may adjust the timing or method for implementing each step. In other words, this journey — teaching an organization as a whole to think strategically and to act effectively on those areas of focus — is unique for each organization.

So what does successful planning look like? First, the organization’s leadership is committed to thinking about the future and the organization’s vision and role. They understand it will be a bit messy, as not everyone participating will be enthusiastic to do so. Also, reaching 100-percent agreement about the organization’s focus and direction will not be automatic. Good leaders understand this and pledge to work through the uneasiness to reach a strategic plan that once completed, motivates support, both internal and external. (Good leaders also know when a consultant is needed.)

Consultants can help facilitate the SWOT analysis with stakeholders, organize the planning meetings, provide guidance on the specific model that best fits the organization, and can help write or edit meeting notes, assigned tasks, and summaries. Some may also review the

staff’s action steps. However, the staff and planning team need to write the goals, objectives, and action plans for themselves.

Suggestions About Consultants

When hiring a consultant, be sure to:

- Ask similar and successful organizations in your area who they used to help them with their strategic planning
- Ask about training and experience with strategic planning
- Ask what approach or planning process they feel will work best with your organization
- Check their references
- Take the time to meet with them, review their proposal, and confirm deliverables
- Select a consultant who is a good fit with your organization

The leadership team must include the board of directors because they play a key role. They are responsible for approving the strategic priorities (or goals), approving the budget, and monitoring the overall plan (and approving any staff-proposed changes). According to Kay Sprinkel Grace, author of *The Nonprofit Board’s Role in Strategic Planning*, board involvement is important to their overall effectiveness in governing the organization. Boards also have experience and insights that are removed from the day-to-day operation of the organization, so they can take a broader view and provide value to the planning process.¹⁴

Secondly, successful strategic plans require time upfront to collect and analyze data about trends in the field and in the community. Stakeholders provide input on the SWOT analysis; they also can help with collecting data, validating the

assumptions, or providing feedback on the plan before it is finalized.

Lastly, to ensure success, keep it simple and keep it alive. Plans that become too large or too complicated to monitor run the risk of losing internal support and motivation. To keep the strategic plan an active part of your organization's culture, refer back to Step 9.

Here are some final suggestions¹⁵:

- Reformat the agenda or reports for board meetings around the strategic issues
- Form board committees around the various strategies
- Insist on staff reports that track to the strategic plan, not just a list of activities
- Establish an ad-hoc board committee to monitor the plan and assist in the next planning cycle

Strategic plans help animal-related organizations stay focused on their

mission and vision. The process clarifies priorities and assignments. In conjunction with the annual budget and operational or action plans, strategic plans also improve communication (between the staff and board) about how well the organization is performing.

It does not matter if your organization is publicly or privately funded, national or local, new or well-established, conduct strategic planning on a regular basis and integrate it into your culture, especially at the management level.

John Bryson encourages organizations to commit to strategic planning because: "Strategic planning will not lead to perfection, but it can result in useful, implementable strategies for addressing a few key issues—and that is something worth pursuing. By organizing hope, strategic planning can make the courageous organization's hopes reasonable."¹⁶

Suggested Resources

Strategic Planning for Nonprofit Organizations: A Practical Guide and Workbook, Second Edition
Michael Allison and Jude Kaye
New York: John Wiley & Sons, Inc.
©2005

Strategic Planning for Public and Nonprofit Organizations: A Guide to Strengthening and Sustaining Organizational Achievement
John M. Bryson
San Francisco: Jossey-Bass Publishers
©1995

www.boardsource.org

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Washington DC 20036-5114

The Complete Guide to Nonprofit Management, Second Edition
Smith, Bucklin & Associates, Inc.
New York: John Wiley & Sons, Inc.
©2000

Built to Last
Jim Collins
New York: HarperBusiness, ©1997

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- Seattle University's Masters-in-Not-for-Profit Leadership Program, Seattle, WA

¹Bill Gates, "Setting Long-Term Goals Key to Successful Business," The Seattle Post-Intelligencer, 10 July 1995, p. B5.

² John M. Bryson, Strategic Planning for Public and Nonprofit Organizations: A Guide to Strengthening and Sustaining Organizational Achievement. San Francisco: Jossey-Bass Publishers, 1995, p. 4-5.

³ Michael Allison and Jude Kaye, Strategic Planning for Nonprofit Organizations: A Practical Guide and Workbook. 2nd Ed. San Francisco: John Wiley & Sons, Inc., 2005, p.1.

⁴ Michael Allison and Jude Kaye, p. 3.

⁵ "Strategic Planning for Nonprofit Boards," United Way workshop by Sharon Lucas and Vaughnetta Barton, March 2004, p. 2.

⁶ Steve Forman's lecture, Seattle University MNPL class, October 18, 1995.

⁷ Allison and Kaye, p. 6.

⁸ Bryson, p. 27.

⁹ Allison and Kaye, p. 138.

¹⁰ Bryson, p. 130.

¹¹ James C. Collins and Jerry I. Porras. Built to Last: Successful Habits of Visionary Companies. New York: HarperBusiness, 1997, p. 97.

¹² Smith, Bucklin & Associates, Inc., The Complete Guide to Nonprofit Management. 2nd Ed. New York: John Wiley & Sons, Inc., 2000, p. 18.

¹³ Jennifer James, Thinking in the Future Tense. New York City: Simon and Schuster, 1996, p. 228-229.

¹⁴ Kay Sprinkel Grace, "The Nonprofit Board's Role in Strategic Planning," Washington, D.C.: BoardSource Governance Series Booklet, 1996, p. 3-4.

¹⁵ "Strategic Planning for Nonprofit Boards," United Way workshop by Sharon Lucas and Vaughnetta Barton, March 2004, p. 12.

¹⁶ Bryson, p. 240.