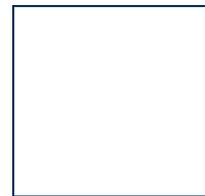
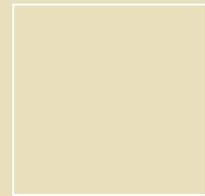


Strategic Planning for Nonprofits Workshop

April 30, 2010



THE FEDERAL RESERVE BANK OF RICHMOND

RICHMOND ■ BALTIMORE ■ CHARLOTTE



Today's Strategic Planning Training Team

- Jim Hayes, Assistant Vice President, Corporate Planning
- Kimberly Zeuli, Assistant Vice President and Community Affairs Officer
- Amanda Kelley, Special Assistant to the First Vice President
- Facilitators
 - Leona Chan, Outreach Support Specialist, Community Affairs
 - Sarah Eckstein, Community Affairs Communications Specialist
 - Amanda Gibson, Outreach Coordinator, Community Affairs
 - Donna Harwood, Analyst, Corporate Planning
 - Courtney Mailey, Regional Community Development Manager
 - Carmen Rodriguez, Senior Analyst, Corporate Planning
 - Alex Swartz, Senior Analyst, Corporate Planning
 - Yogesh Verma, Analyst, Corporate Planning





Workshop Goals

- Review best practices in strategic planning
- Introduce tools to
 - Engage stakeholders
 - Understand environment and emerging issues
 - Align organizational operations with mission
- Build awareness of opportunities to incorporate strategic thinking into organization development and change



Agenda

- Why Engage in Strategic Planning
- Overview of Strategic Planning
- Mission, Vision, and Goals
- Environmental Scanning
- Stakeholder & Competitor Assessment
- S.W.O.T. Analysis
- Setting the Plan
- Lessons Learned





Why Engage In Strategic Planning?

- Serves as a leadership & management tool
 - Are we doing the right thing?
 - Are we doing things right?
- Increases the likelihood that day-to-day activity will lead to the right results
 - Helps drive focus on priorities
 - Improves the collaboration process by setting common objectives and milestones
 - Builds commitment to the organization
- Establishes a process and forum for exploring opportunities for growth and defining success



Overview of Strategic Planning: Typical





Overview of Strategic Planning: Ideal





Considerations for Implementing the Plan

- Assess the need for and extent of change required to support the strategic plan
 - Skills
 - Systems
 - Structures
 - Culture
- Develop multi-generational implementation plan and objectives
- Manage the transition period between the old and the new
 - Choose a leader (very carefully) to lead the transition
 - Define and build a diverse team





Considerations for Leading Change*

Stages of Change	Action Needed
Establish a sense of urgency	<ul style="list-style-type: none">• Examine market and competitive realities for potential crises and untapped opportunities.• Convince at least 75% of your managers that the status quo is more dangerous than the unknown.
Form a powerful guiding coalition	<ul style="list-style-type: none">• Assemble a group with shared commitment and enough power to lead the change effort.• Encourage them to work as a team outside the normal hierarchy.
Create a vision	<ul style="list-style-type: none">• Create a vision to direct the change effort.• Develop strategies for realizing that vision.
Communicate the vision	<ul style="list-style-type: none">• Use every vehicle possible to communicate the new vision and strategies for achieving it.• Teach new behaviors by the example of the guiding coalition.

* Based on the stages of change identified by John Kotter in his book “Leading Change”



Considerations for Leading Change*

Stages of Change	Action Needed
Empower others to act on the vision	<ul style="list-style-type: none">• Remove or alter systems or structures undermining the vision.• Encourage risk taking and nontraditional ideas, activities, and actions.
Plan for and create short-term wins	<ul style="list-style-type: none">• Define and engineer visible performance improvements.• Recognize and reward employees contributing to those improvements.
Consolidate improvements and produce more change	<ul style="list-style-type: none">• Use increased credibility from early wins to change systems, structures, and policies undermining the vision.• Hire, promote, and develop employees who can implement the vision.• Reinvigorate the change process with new projects and change agents.
Institutionalize new approaches	<ul style="list-style-type: none">• Articulate connections between new behaviors and corporate success.• Create leadership development and succession plans consistent with the new approach.

* Based on the stages of change identified by John Kotter in his book "Leading Change"



Nonprofit Perspective

- United Way of Greater Richmond and Petersburg
- Gail Harris, Senior Vice President of Strategic Marketing and Research





Where Do We Want to Be?

Mission, Vision and Goals





Where Do We Want to Be: Mission, Vision and Goals

MISSION	VISION	GOALS
<p>Statement of Purpose and Business</p>	<p>Image of the Future We Seek to Create</p>	<p>How the Organization Will Carry Out Its Mission</p>



About Mission Statements

- Mission statements should articulate:
 - Who the organization serves
 - What the organization does / its core service offerings
 - The end result the organization seeks to achieve / the value it seeks to provide
- Characteristics of an effective mission statement
 - Clear, concise and to the point
 - Realistic
 - Informative and forward-thinking
 - Positive
 - Describes what success looks like for the organization





Sample Mission Statements

- In partnership with God's people, Richmond Habitat creates strong communities by building simple, decent homes. (*Richmond Metropolitan Habitat for Humanity*)
- The *Urban Institute* gathers data, conducts research, evaluates programs, offers technical assistance overseas, and educates Americans on social and economic issues — to foster sound public policy and effective government.
- The *Boys and Girls Club of Metro Richmond's* mission is to empower young people, especially those from disadvantaged circumstances, to succeed in life.
- Lead the way to solutions for a better community. (*United Way of Greater Richmond and Petersburg*)



Vision Statements

- Characteristics of an effective vision statement
 - Clearly describes where the organization wants to go
 - Serves as a source of inspiration and motivation
 - Provides clear decision-making guidance
 - Perceived as an achievable “stretch” target
- Sample vision statements
 - To break the cycle of poverty by providing affordable homes to people in the Greater Richmond area. Richmond Metropolitan Habitat for Humanity
 - The United Way aspires to be the organization that leads the community in defining and achieving human service goals and mobilizes resources to resolve the most pressing problems.
 - To be the most sought after provider of life-changing opportunities for young people ages 6-18 from disadvantaged circumstances. Boys & Girls Club of Metro Richmond.





Goals

- A goal describes what the organization seeks to accomplish in carrying out its mission and achieving its vision.
- Characteristics of an effective goal statement:
 - Outcome-based
 - Measurable
 - Provides direction for translating organizational mission into action
 - Leads with action verbs such as “decrease”, “deliver”, “develop”, “establish”, “improve”, or “increase”



Nonprofit Perspective

- Boys and Girls Clubs of Metro Richmond
- Todd McFarlane, Executive Director



Exercise: Developing a Mission, Vision and Goals

MISSION

VISION

GOALS





Where are We Now?

Environmental Scan

S.W.O.T. Analysis





Where Are We?: The Environmental Scan

- Learn from changes in your external and internal environments, and from past operations and performance results.
- Capture the major environmental trends that will influence the strategies or ongoing operations of the organization over the planning horizon.





Environmental Scan – Factors and Examples

Social	Cultural aspects such as health consciousness, demographic changes such as population growth rate, age distribution, career attitudes. How will an aging workforce affect your ability to meet future needs?
Technological	Emerging technologies, R&D activity, automation, technology incentives and the rate of technological change. Technological shifts can affect costs, quality, and lead to innovation.
Economic	Economic growth, interest rates, exchange rates and the inflation rate.
Ecological	Considers the present-day situation of the physical and biological environments that companies face.
Political	Congressional scrutiny, new administration and new agendas.
Legal/Regulatory	New or pending legislation, employment law, and health and safety law.





Exercise: Environmental Scanning

Social	
Technological	
Economic	
Ecological	
Political	
Legal/Regulatory	





Where Are We?: S.W.O.T. Analysis

Used to filter and interpret the information gathered through the environmental scan and to assess organizational competencies.

Strengths	Weaknesses
Positive tangible and intangible attributes of the organization; value-creating skills or assets.	Internal factors that could constrain an organization's ability to achieve its mission or strategies.
Opportunities	Threats
Courses of action that offer the possibility to advance organizational strategies.	Internal or external factors beyond the organization's control that could place the organization's mission or strategies at risk.



Where Are We?: S.W.O.T. Analysis

Strengths

What are your organization's core strengths?

What do others see as your strengths?

Weaknesses

What are some key areas for improvement?

What constraints could impede accomplishment of your business objectives?

Opportunities

What opportunities are open to you?

What trends could you leverage?

How can you take advantage of your strengths to create opportunities?

Threats

What external trends could impact your business?

What threats do your weaknesses expose you to?



Nonprofit Perspective

- Richmond Metropolitan Habitat for Humanity
- Leisha LaRiviere, President & CEO





Exercise: SWOT Analysis

Strengths	Weaknesses
Opportunities	Threats



How Do We Get There?

Setting the Plan





Sources of Inspiration for Setting the Plan

- To overcome potential obstacles identified in the environmental scan
- To take advantage of key trends or areas of opportunity
- To seize opportunities or mitigate threats captured in the SWOT analysis
- To engage in activities or clients that play to strengths
- To exit markets or activities where the likelihood of success is constrained by weaknesses





Prioritizing Activities

- Driven by and aligned with mission, vision and goals
 - What are the priorities?
 - What is in scope?
- Resource reality check
 - Resource assessment should be conservative, reality-based
 - Breadth and timing of activities will be driven by available resources
 - Maximize the organization's ability to impact its mission, given the available resources





Setting Objectives

- Why do we set objectives?
 - Identify and communicate top priorities and the plan of action for meeting those organizational priorities
 - Provide a means of assessing and managing organizational performance
- What am I going to do?
 - Use strong, action verbs (Examples: prevent, increase, conduct, develop, build, plan, execute)
 - Precise, measurable statements of what we intend to achieve during a specific time period toward a desired outcome





How Do We Get There?: Setting the Plan

Objectives Should be S.M.A.R.T.

- Specific:** What exactly are we going to do? With or for whom? *Objectives should be concrete, detailed, and well defined*
- Measurable:** Is the *objective* measurable, and can WE measure it? How will we know if it has been achieved?
Specify measurable target (quantity, quality, cost, timeliness, etc.)
- Attainable:** Can we get it done in the proposed timeframe with available resources?
The objective must be feasible and realistic given time and resource constraints
- Relevant:** Will this objective lead to the desired results? Is it aligned with organizational mission?
The objective should clearly add value to achieving organizational mission and vision
- Time-bound:** When will the objective be accomplished?
Specify the timeframe for accomplishing the objective



What Have We Learned?

Recent Experiences from Area Nonprofits





Lessons Learned Panel

- Moderator: Amanda Kelley, Special Assistant to the First Vice President, Federal Reserve Bank of Richmond
- Panelists
 - Jane Holliday Walker, Director of Community Partnerships, Robins Foundation
 - Gail Harris, Senior Vice President of Strategic Marketing and Research, United Way of Greater Richmond and Petersburg
 - Sarah Craig Freeman, Vice President of Development, Boys and Girls Clubs of Metro Richmond
 - Leisha LaRiviere, President and CEO, Richmond Metropolitan Habitat for Humanity





Key Resources

- Center for Nonprofit Excellence (Charlottesville)
www.thecne.org
- Federal Reserve Bank of Richmond, Community Affairs. Contact: Courtney Mailey at courtney.mailey@rich.frb.org
- Nonprofit Learning Point (VCU)
<http://nonprofitlearningpoint.org>
- Partnership for Nonprofit Excellence (Richmond)
<http://pnerichmond.org>
- Virginia Housing Development Authority's REACH program (Focus on housing nonprofits)
877-VHDA-123
- Virginia Network of Nonprofit Organizations (VANNO)
www.vanno.org
- Virginia Office on Volunteerism and Community Service
www.vaservice.org





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