

Effective Practices for Non-Profit Agencies

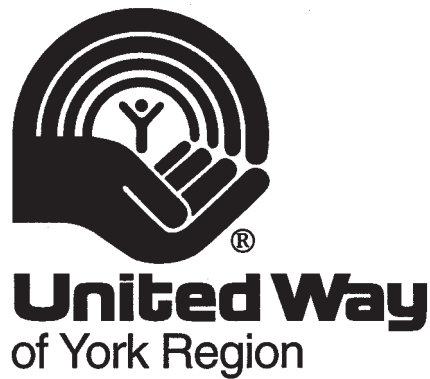


United Way
of York Region

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United Way of York Region is pleased to publish this paper documenting three Effective Practices as a resource and guide to non-profit and charitable organizations that serve the public good in York Region:

Strategic Planning

Evaluating Performance of the Executive Director

Recruiting Board Members from Diverse Ethnic Communities

The term “Best Practice” is widely used and there is no universally accepted definition of what constitutes a Best Practice, but one such definition that fits in this instance is *“A technique or methodology that, through experience or research, has proven to reliably lead to a desired result”*.

While we believe the practices documented here do in fact fall under that definition, we prefer the term Effective Practice — because “best” is a subjective term. Non-profit organizations vary considerably in their make-up, their objectives and their methods of operation, and what may prove to be “best” for one organization will not necessarily be so in another.

The information in this publication is written generally and may not exactly fit the needs of every organization. It is meant to be a starting point for dealing with some of the more common issues that face many non-profits. It is hoped that non-profit organizations of all sizes and complexities will be able to use this publication as a tool, taking and using that information which is applicable and logical to your organization.

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*E*xecutive Director

*P*erformance *A*ppraisal

Non-profit organizations vary considerably in their make-up, their objectives and their methods of operation.

The information in this publication is written generally and may not exactly fit the needs of your organization. It is meant to be a starting point for you to deal with some of the issues that face many non-profit organizations.

One of the major components of a good performance development plan is the building of a working relationship between the manager, or in the case of a non-profit agency, the Board, and the employee (the Executive Director), based on common understandings of expected standards of performance and goals for future development.

Performance management of the Executive Director (ED) can seem to be an overwhelming task for Boards, but one of the key responsibilities of a Board of Directors is to provide the ED with a thorough performance appraisal on a regular basis. The performance appraisal

process is one part of performance management, which is one of the Board's governance roles.

While the role of the Board is to plan the general direction in which the organization goes, the role of the ED is to plan, implement and oversee the daily activities according to the strategic goals defined by the Board. The ED requires both a clear understanding of what s/he is expected to accomplish over the coming year, and good communication with the Board in order to make effective day-to-day decisions.

An effective tool for guiding and assessing the contribution of the executive director to the organization is the Performance Appraisal. By its nature, a non-profit Board has limited direct interaction at the operational level. Conducting regular performance appraisals ensures that all board members have an understanding of the ED's contribution, her/his strengths and challenges in putting the organizational mission and vision into practice.

Performance Appraisal: A Definition

Ideally, a Performance Management system or process is comprised of three parts:

- 1) Planning Performance – This is the beginning of the Performance Management cycle, where work related expectations (sometimes referred to as Key Results Areas) are identified and agreed upon for the coming performance review period.
- 2) Managing Performance – a process by which the key results areas provide the context for ongoing feedback, coaching, and documentation throughout the review period.
- 3) Reviewing Performance – Assuming that steps 1 and 2 have been fully implemented, now is the time to summarize progress made towards achieving identified goals and expectations, identify areas for improvement, complete the cycle and begin again by planning for the next review process.

As noted earlier, the Performance Appraisal is one part of a Performance Management System; however, that said, most organizations use forms that reflect parts of all three components of the Performance Management system on a single document called the Performance Appraisal, and that is the assumption for the information that follows.

For the purposes of this document, Performance Appraisal is described

as the process by which the ED and a board committee work together to design, monitor, and review the ED's work objectives, goals and overall contribution to the organization.

The performance appraisal process is a management tool to be used in conjunction with the strategic plan, where such a plan exists, and the operational plan. Through performance appraisal the board and ED set goals and work objectives, identify barriers

related to achieving those goals and come up with plans to overcome barriers. An effective performance appraisal process also identifies training and career development opportunities for the ED.

Purpose of Performance Appraisal

Supports organizational effectiveness by holding the ED accountable for her/his individual and organizational performance

- Ensures that ED's work plan supports the strategic direction of the organization
- Tightens the link between strategic objectives and day-to-day actions
- Provides a formal structure for communication between the board and ED to clarify and record performance expectations
- Provides ongoing feedback on performance

- Captures the Board's perception on ED's strengths and provides satisfaction and encouragement to the ED via constructive feedback
- Establishes plans for improving performance as necessary; assesses training and development needs and opportunities
- Informs reward decisions
- Provides legal documentation
- Career development tool for the ED

Types of Performance Appraisal

There are a number of well-established methods of performance appraisal – and there is no one “best” form or method. Board members should review each method and choose the one that most closely reflects their agency's values and meets their planning and development needs. The following are some of the more commonly used methods of performance appraisal:

Types of Performance Appraisal

- Management-by-Objectives (MBO): The Board and ED develop a work plan for the next year based on organization's strategic directions and objectives and establish measures for assessing progress. With the MBO method of appraisal, there is a greater emphasis on whether or not the objectives are actually met, and less emphasis on the manner or methods employed to meet the objectives.
- Behaviorally-anchored rating scales (BARS): This is almost the opposite of MBO. While it does take into account performance objectives and whether or not the objectives are met, this method also places emphasis on the behavior of the person – or the methods employed to reach the identified objectives.
- Self-Appraisal: The ED evaluates her/his own work outlining accomplishments, strengths, challenges and areas needing improvement and the progress she/he has made toward goals established the previous year.
- Full Circle Appraisal: Also known as the 360 degree method of performance appraisal. The ED performance is reviewed using input from major stakeholders including board members, staff, clients, funders, and strategic partners.
- Combination of methods.

Performance Appraisal Principles

An effective performance appraisal process is based on several principles:

- The goal of the process is to provide accurate and fair feedback on past performance, and offer specific recommendations on how to improve both individual and organizational performance.
- The process should be simple and easy to understand. The goal is to measure and improve performance and not to impose another time-consuming task on the board and ED.
- It is a collaborative effort between the board and ED.
- The process and objectives should be aligned to strategic and operational plans.

Success factors in implementing an effective Performance Appraisal system for the executive director in non-profit organizations

There are a number of parts that make up the process of appraising the performance of the ED. Often, the Board assigns authority to a committee to lead the process. The ED prepares his/her portion of the reporting (self-evaluation). Depending on the method of performance appraisal being used, the committee may collect feedback and information from external sources.

The very first step in an effective performance appraisal process is making sure all relevant information is available and up-to-date:

- Strategic plan.
- ED job description identifying key responsibilities of the position, particularly for this reporting period (note: key responsibilities are based on both the strategic plan and on what the ED does to manage the organization on a day-to-day basis).
- Performance appraisal form for the previous reporting period (if it includes objectives for this reporting period).

- Key areas listed in the job description, as well as the ED's regular board reports, form the basis of the information that the Board has about the organization – these reports also form the basis of the information that is required for a performance appraisal.
- In many organizations, the ED prepares an annual report that emphasizes the link between the program and services goals and activities within the organization's strategic plan.

Regardless of the method used there are some key success factors of an effective Performance Appraisal process:

A. An effective working relationship between the Board and ED

One of the most important features of a successful organization is the relationship between the Board and the ED; a healthy relationship based on open communication, clear expectations and responsibilities leads to a thriving organization, while a poor relationship can lead to an unstable, under performing organization.

Creating a strong partnership between the ED and the Board takes time and there is no one model that will work for every organization. There will be gray areas with overlapping responsibilities, but the important point is to constantly communicate and mutually agree on the most effective ways to work together.

Nevertheless, when both the Board and ED can answer the following questions, the basis for a healthy relationship is set:

- Is there a governance document or policy, which clearly differentiates Board and ED responsibilities?
- Who makes what decisions in the organization? Did the Board and ED establish clear lines of decision-making authority?
- Is there a clear understanding among the Board members regarding their own commitment, participation and responsibilities?
- Do the board members have realistic expectations concerning ED's leadership style and management skills?
- Is the ED sharing all information, good or bad, on an ongoing basis, without fear of reprisal or blame?

Responding to these questions means defining the roles, responsibilities and expectations at the top level of the organization, which in turn, create the basis for a clear job description for the ED

B. Accurate ED Job Description

As noted earlier, an accurate and up-to-date job ED job description is vital to the performance appraisal process.

It seems to be a common practice in the non-profit sector to create a broad job description for the ED, based on the fact that the ED carries out the work of the organization.

The reality of the non-profit sector is that the ED must accommodate countless internal pressures including resource development, board relations, staff and volunteer development, operational effectiveness and financial management, as well as external pressures such as an ever-changing environment, strategic partnership development, public and community relations.

The ED job is demanding and complex, with double accountability toward the mission and the bottom-line, with many and diverse stakeholders. The role of ED requires diverse leadership qualities and managerial skills.

The main point is that it is practically impossible for a single person to effectively handle so many tasks; a broad job description coupled with the ED desire to perform can lead to unrealistic expectation on the Board side, and to frustration and burnout on the ED side.

For this reason, an accurate and realistic job description is a key success factor not only in performance appraisal but also in the success of the organization as a whole.

A generic/broad job description for the EDs who oversee the work of other staff is often a long list of responsibilities arranged under some main categories:

- Leadership
- Operational Planning and Management
- Program Planning and Management
- Human Resources Management
- Financial Planning and Management
- Community Relations/Advocacy
- Risk Management

In organizations where the ED is the sole staff, the responsibility list is even longer and includes not only all of the above but also fundraising, volunteer management and non-managerial tasks.

A well-crafted job description identifies key area of responsibilities that accurately reflect the needs of the organization at present date. Thus, the first step is to assess where the organization is now in its lifecycle.

Organization lifecycles follow a pattern of start-up, development, growth, maturity, decline or restructuring, with transitions between stages. Each stage has its own challenges and requires different policies and procedures.

Similarly, the ED priorities and skill set have to change to keep up with changes in the organization. For example in the development stage ED's priority is to formalize policies and structures, hire and train staff, clarify the service offering and the mission. By contrast, in the maturity stage the emphasis is on financial management, accountability and relationship management (funders, clients, partners and community at large).

Understanding the lifecycles and identifying where your organization is now will help the Board determine the ED's role and priorities and identify new skills needed to effectively lead the organization in its actual developmental stage.

The second step is to change the job description to reflect the reality of the ED's job today. If you have a broad job description you can emphasize the key areas of responsibility by attaching the percentage of time the ED should spend on each.

An ED job description designed for high performance clarifies areas of authority, provides a summary of responsibilities and identifies the key responsibilities for the current period. The Board should revisit the ED job description not only when hiring a new ED, but also when the organization enters in a new lifecycle or when a new strategic plan requires significant changes in the organization.

With a good working relationship between the Board and ED and an up-to-date job description, developing the ED's yearly work plan is a straightforward process.

C. ED Work Plan

While not a common practice, having a formalized work plan for the ED is an effective management tool. A work plan negotiated with and accepted by the Board, can be a welcome asset to the ED charged with navigating competing priorities and determining where to allocate his/her time and attention.

Once you have the organizational goals for the coming year, the Board and ED must answer

the following questions:

- What are the areas where the ED should focus in order to achieve the organizational goals for the next year? Depending on your organization's current lifecycle, you can have Board development goals, visioning and planning goals, fundraising goals, staff management performance goals, etc.
- How we will know the ED is successful in achieving her/his goals? If there is a strategic plan in place, success indicators are already established as part of the strategic plan. If plans are not yet in place, the Board and ED need to agree on success indicators for each task.

The result should be a list of no more than five priorities. A short list is realistic, achievable and will provide direction and focus for the ED.

The work plan should include:

- Specific tasks that must be accomplished to achieve each objective (the identified priorities).
- Timelines : when possible provide specific deadlines instead of "over the next year".
- Success indicators/Evaluation measures: the way to determine if success has been achieved.
- Professional development needs.

D. On-going Informal Feedback

Humans have a basic need to know how well they are doing; motivation and effort increase when we expect to succeed and decrease when we are uncertain of our performance.

Since an ED has no direct supervisor or peers who can provide immediate, honest, constructive feedback as a way to improve performance, obtaining on-going feedback from the Board is vital. Opportunity to seek and receive feedback from the Board as a whole occurs during board meetings.

An experienced, effective ED ensures the Board receives on a monthly basis:

- An update on activities throughout the organization and a progress report on his/her own activity, highlighting successes and challenges, as well as potential issues and recommendations for action.
- A financial report presenting revenues and expenses compared to budget.

Ideally, Board meetings take place on a monthly basis and members receive these reports well enough in advance that they have the opportunity to consider the issues and give constructive feedback at the appropriate time.

Performance Appraisal Process

Assuming there is a good working relationship between the Board and the ED, and an accurate, up-to date ED job description, an annual work plan and on-going constructive feedback from the Board, the formal annual ED Performance appraisal is no more than a simple process of:

Designate an appraisal committee of the board

The Board assigns responsibility for the performance appraisal process to a standing committee with Human Resource Management functions or creates an ad-hoc task force for the year.

Create a customized appraisal form

The committee agrees on the type of appraisal to be used, and creates a customized appraisal form that fits the unique needs of the organization.

Gather information from a number of sources

Having performance information from various sources increases objectivity, maintains a focus on “leadership evaluation” and discourages unproductive outcomes or “popularity contests”. This information should include objective data derived from the strategic plan, the ED

work plan (tasks with deadlines and success indicators), and the Ed's monthly reports to the board. Other information includes formal feedback from the Board through the performance appraisal questionnaire, records of external factors impeding performance. The review can also include the ED self-evaluation. Depending of the type of appraisal used, selected stakeholders (staff, funders, community partners, etc) are asked to give feedback around some pre-determined areas.

Data review

The appraisal committee prepares a summary report for the board that includes a tabulation of responses to the performance appraisal questionnaire; it should also include key job responsibilities, current objectives, relevant competencies, achievement and challenges. If previous performance appraisals are available, they should be used as reference. The Board meets to discuss the perceived strengths and challenges of the ED as identified in the summary report. The Board should analyze the implications of these strengths and challenges for the future of the organization and decide on key messages to be brought to the ED.

Appraisal conference: looking at the past to plan for the future!

The Board chair and the appraisal committee should meet with the ED to review the appraisal results and the messages from the board discussion. It should be a forward-looking, factual discussion, in a relaxed atmosphere. This is the time to outline ED goals and objectives for the next year and to identify training and educational needs. One of the purposes of the assessment process is to encourage ED's self-discovery and to maximize his/her performance. The Board must support the ED over the next year and encourage her/his personal and professional development.

Guidelines for Board Members

Prior to completing the ED performance appraisal form, board members should review:

- The organization's mission, vision and strategic plan.
- ED job description.
- ED's work plan with goals for the year.

Evaluate the ED's performance as it is related to his/her responsibilities, goals and objectives; do not rate personality traits, occasional duties or single incidents.

Think about each criterion independently without letting a high or low rating under one criterion to influence your judgment on other criteria.

Be as objective as possible; do not substitute personal likes or dislikes, work styles preferences for objective appraisal of performance.

Give specific examples that illustrate your rating; make sure these example points out consistent patterns and not isolated incidents.

Identify both strengths and weaknesses; rating on the average is not evaluation but merely avoidance of judgment. The goal when conducting performance appraisals is to convey a true appraisal of the ED's performance from the Board perspective.

Checklist for the Appraisal process

Do the Board and ED work together to prioritize responsibilities and job expectations for the ED?

Do the ED and the Board agree on a yearly work plan for the ED with goals and objectives?

Do the Board and ED meet regularly, if not monthly, throughout the year?

Are the Board and ED committed to an ongoing evaluation process and willing to spend the time required?

“Trustees are sometimes reluctant to assess the executive director. They may be uncertain about what criteria to use; they may feel they owe their support to the director if she was the one who suggested them for the board, or they may simply fear confrontation. None of this is adequate reason for a board to avoid its responsibility to fulfill this task. A well-planned process can remove most if not all, of those sources of anxiety.”

Conclusions

This report is an attempt to identify effective practices that can assist Board members in evaluating the performance of their executive director, while at the same time assuring the ED of a non-subjective appraisal process.

By defining Performance Appraisal as an ongoing process where the Board and ED work together to design, monitor, and review the ED’s work objectives, goals and overall contribution to the organization, and by implementing the practices identified in this report that are appropriate for your agency, non-profits will have a beneficial tool to fairly evaluate and improve the ED’s performance and organizational functioning.

Once the leaders of the organization (the Board and ED) are comfortable with, and confident in this management tool, the lessons learned in the process can be rolled down, and a similar performance appraisal process can be created for all personnel, paid or volunteer.

Effective practices for performance appraisal of staff will follow a similar path:

- Working partnership between the ED and staff.
- Up-to-date job descriptions.
- Annual agreed-upon workplans.
- On-going feedback.
- Formal annual review with a focus on training needs and career development.

At the end of the day, you will have not only a tool to manage performance throughout the organization but you will also have created a culture of partnership, team spirit and accountability.

As Dick Grote, the author of *“The Complete Guide to Performance Appraisal”* (Amacom, 1996), says:

“Performance appraisals done well — with a good system and with good heart on the part of the parties involved — can be the single most important power in influencing human performance in organizations.”

Appendices

There are many other appraisal forms, some simpler, some very complex and you should take the time to research, ask for professional performance management advice and come up with a form that will fit your organizational needs the best.

For your convenience we have attached three sample appraisal forms for the executive director:

1. Attachment 1: self-assessment
2. Attachment 2: full circle (360 degree) appraisal form
3. Attachment 3: performance by objectives appraisal form

You can use them as examples, you can adapt the forms or you can mix various elements to create a new form.

Employee Self-assessment

1. In your opinion, what have been your major accomplishments this past year? Consider accomplishments related to: strategy development, board development, administrative, financial, HR, programs, advocacy, PR, etc.

2. What are your greatest strengths? Consider the skills/characteristics you draw upon to help you meet your goals in your role as Executive Director when responding.

3. What have been the greatest challenges in carrying out your leadership responsibilities this year?

4. How would you describe your leadership style? How do you view the effectiveness of your leadership style?

5. What new or continuing objectives would you like to accomplish next year? Think of no more than five major objectives and where applicable provide timelines for completion.

6. What would assist you in carrying out your job responsibilities and accomplishing your goals for next year? Identify any new resources and competencies you need and how you see the Board supporting your work over the next year.

Sample Memo to Board

MEMO

To: Members of the Board
From: Performance Appraisal Committee
Subject: Executive Director Performance Appraisal

This year's ED Performance appraisal will rely on information gathered from the following sources:

1. The Board-utilizing the attached questionnaire and inviting personal contacts with the performance appraisal committee.
2. Staff-utilizing the same questionnaire
3. Stakeholders (funders and community partners)-telephone or personal contact
4. The ED's self-evaluation

The information requested relates directly to our operations as set through organizational and personal goals of the ED.

Please spend a few minutes completing the questionnaire and mail or e-mail your response by_____.

Your opinions, perceptions and observations are most important in setting the right directions for (our organization).

Thank you very much for your assistance.

Sample Memo to Agency Staff

Memo

To: Staff members
From: Performance Appraisal Committee
Subject: Executive Director Performance Appraisal

This year's ED Performance appraisal will rely on information gathered from several sources. We value your opinions and constructive suggestions to assist in evaluating the leadership, operations and effectiveness of our organization.

Please take a few minutes to complete the attached questionnaire, and send it back by _____.

You are not required to sign this document if you choose not to. All responses will be kept confidential.

Thank you very much for your important contribution in improving the effectiveness of our organization.

Suggested Questions for Interviews with Stakeholders

1. How you would characterize your relationship with our organization?
 - unsatisfactory /neutral/satisfactory/ excellent
 - unproductive/ neutral/ productive/ excellent
 - uncooperative/neutral/cooperative/ excellent
2. How, in your opinion, can it be improved?
3. What are the accomplishments or strengths of the ED, which have been noteworthy for you?
4. What improvements would you suggest with regard to the ED's performance?
5. Any other comments, suggestions or observations?

Performance by Objectives Appraisal Form

The Board and ED work together to identify up to five key objectives for the ED.

For each objective identify the measures of success, anticipated risks and challenges, timelines and the required resources.

Objective 1:

Success indicators:	Quantitative and qualitative indicators that are met if the objective is successfully achieved.
Risks and challenges:	Identify the issues/situations outside of the ED's control that need to be managed and which influence outcomes.
Timeline:	When will the objective begin and end
Required resources:	Financial and HR -identify which individuals (staff, volunteers, board members) and/or departments will be involved in completion of the objectives.

Performance level:

- Under=meet none/few indicators
- Good= meet all or most indicators
- Exceptional=met all indicators and exceeded in some

Objective 2:

Success indicators:
Risks and challenges:
Timeline:
Required resources:

Key Objectives for the next appraisal period:

Personal development plans:

Overall Performance Assessment and summary comments:

Recruiting Board Members From Diverse Ethnic Communities

York Region is becoming more diverse by the day, with changing racial and ethnic demographics as the most visible form of cultural diversity.

It is often said that Canada's multiculturalism has given us unique strength, resilience, and richness; non-profit organizations, which serve a public purpose, are among the first to acknowledge, reflect and value this diversity.

Achieving true diversity in non-profit organizations is not a simple task, or a quick fix; it is a journey that requires the Board to move from awareness to action, to bring the necessary level of energy and resources for building an organization that truly values diversity and multiculturalism.

In York Region some non-profits have successfully addressed the challenge, but many others struggle to achieve the needed level of diversity, especially at the board level.

Did you know?

- York region has become the fastest growing Census division in Canada.
- In 2001, at the point in time the Census data was collected, York region population was 725,665.
- As of February 28, 2006, York region's population was estimated to be 923,074.
- Based on projections, York Region's population is expected to reach 1.4 million by 2026.
- Historically, immigration has accounted for a significant part of the population growth in York Region: "During this period (between 1991 and 2001) recent immigrants accounted for 42% of the population growth in York Region."
- The recent immigration population in York region is increasing at a faster rate than the non-immigrant population. Between 1991 and 2001, the number of recent immigrants increased by 132% and the number of non-immigrants increased by 31%.

Inclusivity Action Plan-Welcome Resource Centres:

Figures taken from Community Snapshots: Recent Immigrants Living in York Region

Acknowledge the need for diversity and build a knowledge base on the subject

There is no correct answer on diversity that is suitable for all non-profit organizations, but discussing diversity is the starting point at which the Board can assess how important diversity is in achieving its mission.

Every organization, both for-profit and non-profit alike, has its own way of doing things, its own culture, a distinctive environment that reveals itself in many ways. People outside of your organization (clients, volunteers, funders, community partners) are able to observe your organizational values and priorities and these perceptions determine whether they are willing to be affiliated with your organization.

You may have identified the need to address diversity issues through the environmental scan during a strategic planning process, or you may have noticed that your Board's homogeneous composition impedes its creativity or visibility; these are signals that its time for an honest self assessment.

Questions for Discussion

- Do we collect demographic data on gender, age, and ethnic composition of the community we serve, on our staff, volunteers and board members?
- Do we collect and maintain diversity data on our clients?
- What is the commitment of the Board and ED to diversity?
- Do we have clear strategies for increasing the diversity at the operational level? What about the board level?
- Do we have policy statements which demonstrate our agency's commitment to being an inclusive organization?
- Is our office warm and inviting to people of various cultures? Is our office physically accessible?
- How could we benefit from diverse perspectives brought by diverse staff, and board members?

Diversity refers to all of the characteristics that make individuals different from each other; it includes ethnicity, ideology, religion, gender, sexual orientations, physical abilities, educational level and occupation, personality.

- Do we know the different facets of our community?
- Does the staff and board membership reflect the ethnic and cultural mix of the community we serve? If not, what efforts have been made to recruit minority members? Do members of the staff or board have ties to ethnic communities?
- Can we develop and maintain a database of diverse contacts to inform us about the communities we serve?
- Do we conduct training on cultural awareness for board members, volunteers and staff?

Discussing these and other similar questions will help determine what changes need to be made in your organization and which changes are most pressing. One should keep in mind that becoming a truly inclusive board is a lengthy process that takes understanding, commitment, and persistence on the part of all members.

A firm belief by everyone that becoming a diverse organization is as important as any other goal in the program's strategic plan.

If you have board members who are resisting change when it comes to being more reflective of the community your organization serves, start slowly with a program of short presentations on the various ethnic communities in York Region, perhaps at the beginning of each board meeting.

Diversity training and education is critical for both staff and board members, since often individuals are not comfortable participating in or setting goals around diversity, simply because they have no knowledge or experience of other cultures.

One definition of Diversity:

"The variation of social and cultural identities among people existing together in a defined employment or community" was adapted by one organization to " Diversity as the ways we all are alike and respect for the ways we all are different".

Saint Mary's Health Care, Michigan

Defining Diversity

Now that your organization is committed to creating a board that truly reflects the diversity of your community, you need to define what type of “diversity” is needed at the board level.

You no doubt already have diverse types of skills on the board in order to meet the organization’s goals. The next step may be to assess the demographics of your board and determine a board profile (skill mix, gender, ethnicity, age, etc.) representative of your clients/community you serve, and/or York Region’s general population.

Changing the board membership to more accurately reflect your community must be a deliberate and proactive process, requiring appropriate policies in place which will ensure that the diversity of the community is represented in your governance process.

The next step is to agree on diversity measurements as part of board goals and objectives, with an understanding that becoming a diverse board is no less important than the other goals in your strategic plan.

The clearer your organization’s goal in creating a diverse Board, the easier the recruiting process will be; keep in mind that recruiting is only one aspect of managing and developing a

strong and diverse Board.

An effective practice in this case is to appoint a “diversity committee” that will be accountable for reporting on a periodic basis to the board on recruitment strategies, challenges and progress. Evaluate annually how well you are meeting your diversity goals.

Recruitment Strategies

Recruiting and developing a diverse board is challenging. It requires board members and the ED to creatively explore new alternatives to recruitment. Agencies can locate good board prospects with diverse backgrounds without compromising standards, expectations, or spending too many financial and human resources reaching suitable candidates:

Disseminate information about your organization including a written statement that reflect the diversity that you wish, broadly within the communities you serve.

Include articles on diversity in your marketing materials (newsletters, pamphlets, website) and presentations making sure you communicate the message that your Board/office is friendly and accessible to all.

Participate in community coalitions or initiatives that support diversity in the community.

Attend community events not directly related to your service offering and expand your network.

Enlist the help of community leaders. Encourage people of different cultures, languages, ethnic backgrounds, and beliefs to assist your organization by asking them to provide names of possible recruits.

Establish an advisory committee reflective of the demographic you're looking for. The committee can provide insight, practical advice and links to various ethnic communities in York Region.

Incorporate nontraditional networking channels to reach diverse audiences: ethnic media, community-based organizations' newsletters, ethnic community centres and places of worship. In many communities places of worship serve not only their members' spiritual needs, but are also a source of leadership within the community.

Share your diversity recruitment and retention practices with similar organizations.

Advertise in neighbourhood newsletters, or alumni newsletters of local colleges and universities.

Scout your volunteer, donor and client base--they know you already! This can be especially effective if your organization has young volunteers earning their mandatory community service hours for secondary school graduation. Some agencies take advantage of the already established relationship with the young person by hosting "family" events for their volunteers -- encouraging parents and siblings to visit and learn about the organization. Parents have the opportunity to participate in an activity with their children, and organizations have the benefit of "getting the message out" to a pool of potential candidates to which they otherwise may not have access.

Choose local organizations where you don't know anyone, but you'd like to; set up a meeting with the ED or President of the board and suggest that your two organizations recommend "retiring" board members to each other as a way

of establishing organizational links and strengthening ties among communities.

Invite current staff to suggest individuals who have the time, expertise, and willingness to serve, and to keep an eye out at professional and personal meetings for potential members.

While developing your outreach strategies keep in mind that **diversity does not and should not require the lowering of requirements**. If that happens, you have put your diversity program at risk and you have sent the wrong message.

Interview

When potential board members are identified, it is important to provide them with information about your organization as well as a clear understanding of the expectations of board members. After they have had time to review the material and formulate their questions invite them to visit your office and have both staff and board represented at these visits.

In the interview, be sensitive to different cultural patterns of speech, self-promotion, and general responses to questions. Especially when the prospective member is the first member from an ethnic community, the whole organization has to be supportive and respectful about cultural differences. Tell the interviewees why you have selected them -for what qualities and strengths so that you can address the lurking question: "Am I here just because I'm a visible minority or did they see my strengths?"

Again, it may be difficult to get someone to be the "pioneer" on your board. Be persistent and continue developing contacts in the ethnic communities; over time you will improve the ability to attract and retain diverse talent on your board.

Strategic Planning for Non-Profit Organizations

The non-profit sector has been rightfully called the “third pillar of Canadian society and its economy” because it provides so many critical services to communities across the country.

According to the report *The Nonprofit and Voluntary Sector in Ontario: Regional Highlights from the National Survey of Nonprofit and Voluntary Organizations*¹, the non-profit sector is extremely diverse: at one extreme, more than half of Ontario’s non-profit organizations operate with very low revenues and no paid staff. At the other extreme there are large organizations with significant revenues, paid staff and large numbers of volunteers. While each group has its own unique set of the challenges, the majority of organizations report similar difficulties with acquiring adequate human and financial resources, planning and development, outreach and infrastructure.

There are more than 45,000 incorporated nonprofits and registered charities that operate in Ontario in various sectors including human services, social justice, sports, environment, health, faith, arts and culture.

In Ontario, one of the most frequently reported problems by nonprofit organizations is “difficulty planning for the future”. This appears to be more of a

problem when correlated with the other two most often reported capacity problems: “difficulty recruiting volunteers”, and “difficulty obtaining board members”, and in the context of the most pressing problems identified by Ontario organizations: “reduction in government funding” and “unwillingness by funders to fund core operations”.

Despite this somewhat somber picture, history proves that non-profit organizations are resilient and willing to proactively respond to changes in their environment.

One of these changes is the requirement that non-profit organizations be accountable.

“Changed lives is the non-profit organization’s “bottom-line”.

Each mission must be thought through in terms of results, and the organization must document the difference that is being made in society and the lives of individuals. People are no longer simply interested to know, is it a good cause? Instead they want to see both commitment and competence—a demonstration of achievement as a responsible and effective organization”.

*-- Peter F. Drucker
Introduction to the Process
Guide*

¹ The National Survey of Nonprofit and Voluntary Organizations (NSNVO) provides detailed information on the size and scope of the voluntary sector in Canada, including types of organizations, what they do, their budgets, and numbers of paid staff and volunteers. The survey also helps clarify the needs and challenges facing the sector by providing data on organizations’ perceptions of their strengths and weaknesses. The resulting research will contribute to improved policy and program decision-making. The NSNVO is funded by Human Resources Development Canada through the Capacity Joint Table of the Voluntary Sector Initiative.

***“If you don’t know where you’re going,
any road will take you there.”
George Harrison***

The purpose of this document is to provide assistance to agencies faced with the capacity problem most often cited by non-profit organizations: difficulty planning for the future.

One way of “planning for the future” in the non-profit sector is undertaking a strategic planning process. United Way of York Region (UWYR) supports and encourages non-profit organizations to use strategic planning as an essential tool for gaining focus and achieving greater effectiveness in their work. There are non-profit organizations in York Region that are experienced in strategic planning and successful in doing it, and we are fortunate that some of those organizations have chosen to share their knowledge with other agencies.

Methodology

The following outlines the process that was used to prepare this Strategic Planning document:

- The first step was to gain an understanding of the in-depth planning processes used by practitioners and consultants in the non-profit sector.

- The next step was to identify and interview some of our own York Region agencies, to understand *where* they are in the process and *why* their strategic planning efforts have been effective.

After researching different approaches to strategic planning through literature research and interviews with those considered expert in this area: practicing consultants and leaders of non-profit agencies in York Region which have successfully completed a strategic planning process, the best known and most often utilized strategic planning process was chosen: the goal oriented strategic plan.

From that base, a composite model has been created: ***The Integrated Strategic Planning Process.***

The Integrated Strategic Planning Process documents both the literature research and interview findings and is intended to serve as a useful tool for non-profit boards and managers in adapting those effective practices and formulas for success in their organizations’ day-to-day practice.

The Integrated Strategic Planning Process stresses the importance of the preparatory phase and considers the implementation phase as an integral part of the strategic planning process.

It is based on several assumptions:

1. Shaping the future of an organization is not an episodic event. It is not something you “do” once every three or five years. It is a constant, on-going process of strategic analysis, strategy formulation and most importantly, implementation.
2. It is a sequential process where one step leads to another in an integrated manner.
3. Execution is key. The only way a strategy can be successful is if the organization has the understanding, direction and tools to correctly implement it.

The approaches identified here will come to life by being shared, debated, used and improved in the context of non-profit realities in York Region. In doing so, a best practice would be for leaders throughout the non-profit community to establish their own planning networks and share their own best practices and process improvements with each other.

A Definition of Strategic Planning

Strategic planning is a term widely used in both the business and non-profit sectors, meaning different things to different people and applied in a variety of ways.

A number of definitions for strategic planning can be found in literature. For the purposes of this study strategic planning is defined as: *“A continuous and systematic process, by which an organization envisions its future, develops the necessary procedures and operations to achieve that future and determines how to measure success.”*

Let’s look at some of the key words in the definition:

- Continuous, means that strategic planning is an ongoing process, not a singular event to produce a plan
- Systematic means that strategic planning must be a structured and deliberate effort.
- Process recognizes one of the biggest benefits of strategic planning: fostering strategic thinking about the future and how to get there. The written document, the strategic plan is important, but it is the process of self-examination, the analysis of important issues and choices, and

the establishment of priorities that characterize successful strategic planning.

- Envisioning refers to a belief that different aspects of the future can be influenced and changed by what we do now.
- Procedures and operations to achieve that future means setting clear goals and objectives that provide the organization with its core priorities and a set of guidelines for day-to-day managerial decisions.
- How to measure success refers to the view that strategic planning must use appropriate measures to determine if the organization has achieved success.

Benefits of Having a Strategic Plan

- Renewed sense of purpose through visioning and goal setting. By defining clearly what an organization wants to achieve, board, staff and volunteers are mobilized to concentrate their efforts on the right work at the right time.
- Problem-solving through systematic analysis of the most critical problems. The strategic planning process allows the values and views of all stakeholders to be heard. During

the planning sessions all participants have access to the same information and resources. A clear description of the facts encourages the organization to find consensus on how to address strategic issues.

- Teamwork and commitment. Participants in the process learn and get a sense of influencing circumstances instead of merely responding to problems, and become committed to the process.
- Improved decision-making. The strategic planning process yields future driven decisions and processes that consistently result in better organizational outcomes.
- Communication and marketing. Having a good strategic plan increases credibility for funders, clients and the community.

Overall the strategic planning process strengthens the organization. It provides a framework for the organization to allocate its human and material resources and ensures accountability by setting clear, measurable goals.

Strategic planning is comprised of two main components: the planning process and a written document, the actual strategic plan. While the written document is important, it

is the process of analyzing internal and external environment, shaping the future through envisioning, confronting difficult choices, establishing priorities and putting them into practice that characterizes successful planning.

The planning process can be very simple or more complex, depending on the organization's needs and what it is trying to accomplish. Across all variations, there are some common principles for effective strategic planning.

Leadership

Good leaders own their strategic planning processes. Consistent and visible involvement of top leaders in the creation and deployment of the strategic plan is a characteristic of effective organizations. Strategic planning is one of the major attributes of a non-profit board.

The Board is ultimately accountable for the organization's work; for its present and future, and therefore should be the major participant in the process. The reality is that the degree of involvement on the part of the Board depends on the size of the organization, organizational culture (established patterns of behaviour), and the level of knowledge.

If the Board members are not truly committed to the effort, or are not able to devote the

necessary time and attention to the "big picture", the organization is not likely ready to undertake a the strategic planning process. Boards that meet infrequently and have little knowledge about the organization's operations would be well-advised to do an honest self-assessment and address any governance issues prior to an attempt to do strategic planning.

The role of the Executive Director (ED) is particularly important in the strategic planning process. S/he is a vital member of the planning committee and is responsible for communicating the plan throughout the organization and to its stakeholders. The ED is also responsible for the implementation phase, for monitoring and communicating results to the board and for recommending changes to the plan when needed.

Without leadership and uncompromised support from both the Chair of the Board and the ED, any strategic planning efforts are doomed to fail.

Fact-Finding

In order for an organization to carry out a successful planning process, it must have knowledge of its constituencies. Clients, staff, volunteers, individual donors or funders and partners should be solicited for their ideas, needs, and hopes for the organization.

Determining how the organization is perceived by its stakeholders, (those who care about or are affected by it) does not necessarily take a lot of time and effort. Program data reports, interviews, surveys, and focus groups are some ways that information can be brought together for the planning process.

Strategic Analysis

The strategic analysis forms the basis for decisions affecting the organization's future. Therefore, it is essential that sufficient accurate information be available on which to base judgments. Without preparation and fact-finding work done in advance, the planning process can be much less strategic and more like guesswork.

An effective strategic analysis encompasses an environmental scan and an organizational assessment and is comprised of three kinds of information:

1. Facts and figures: hard data such as economic and demographic studies, professional analyses of the organization's field, financial statements, program evaluation and statistics, etc.
2. Constituency views: facts and opinions collected from stakeholders by means of questionnaires, focus groups,

interviews or meetings.

3. The results of brainstorming during the planning sessions.

There are many tools that can be used in the analysis stage, each of them having benefits and limitation and requiring different level of skill to use it effectively.

Implementing the Plan and Monitoring Progress

A detailed implementation plan makes a strategic plan complete. The implementation plan clearly states the significant tasks to be accomplished, who is responsible for accomplishing them and when those tasks must be completed for each strategic objective.

Effective organizations tie the strategic plan to the implementation plan and continue with annual operational plans, job descriptions and work plans for Board and staff, fundraising and communications plans.

Another hallmark of success in the strategic planning process is the capability to determine progress on accomplishing the plan's goals and objectives. This assessment ability is a monitoring function that tracks activities and checks the progress and is an important part of the Board's business on a regular basis.

The most important test for effective implementation is the degree to which an organization integrates the strategic plan into their day-by-day management decisions.

Definitions

The language of planning is not yet consistent within the non-profit sector and slightly different definitions are assigned to the same terms. To eliminate confusion, the following definitions apply to the terms that are used in this report:

Mission

The mission tells who we are and what we do.

Vision

The vision is future oriented, telling who we want to become and what we will do in the future.

Strategic Goals

The strategic directions broadly explain what we must do to move from the mission toward the vision.

Objectives

The strategic objectives break the strategic goals into short-term activities whose outcomes can be measured.

Operational Plan

The operational plan describes the concrete steps to carry out objectives over a defined time frame, with clear defined responsibilities.

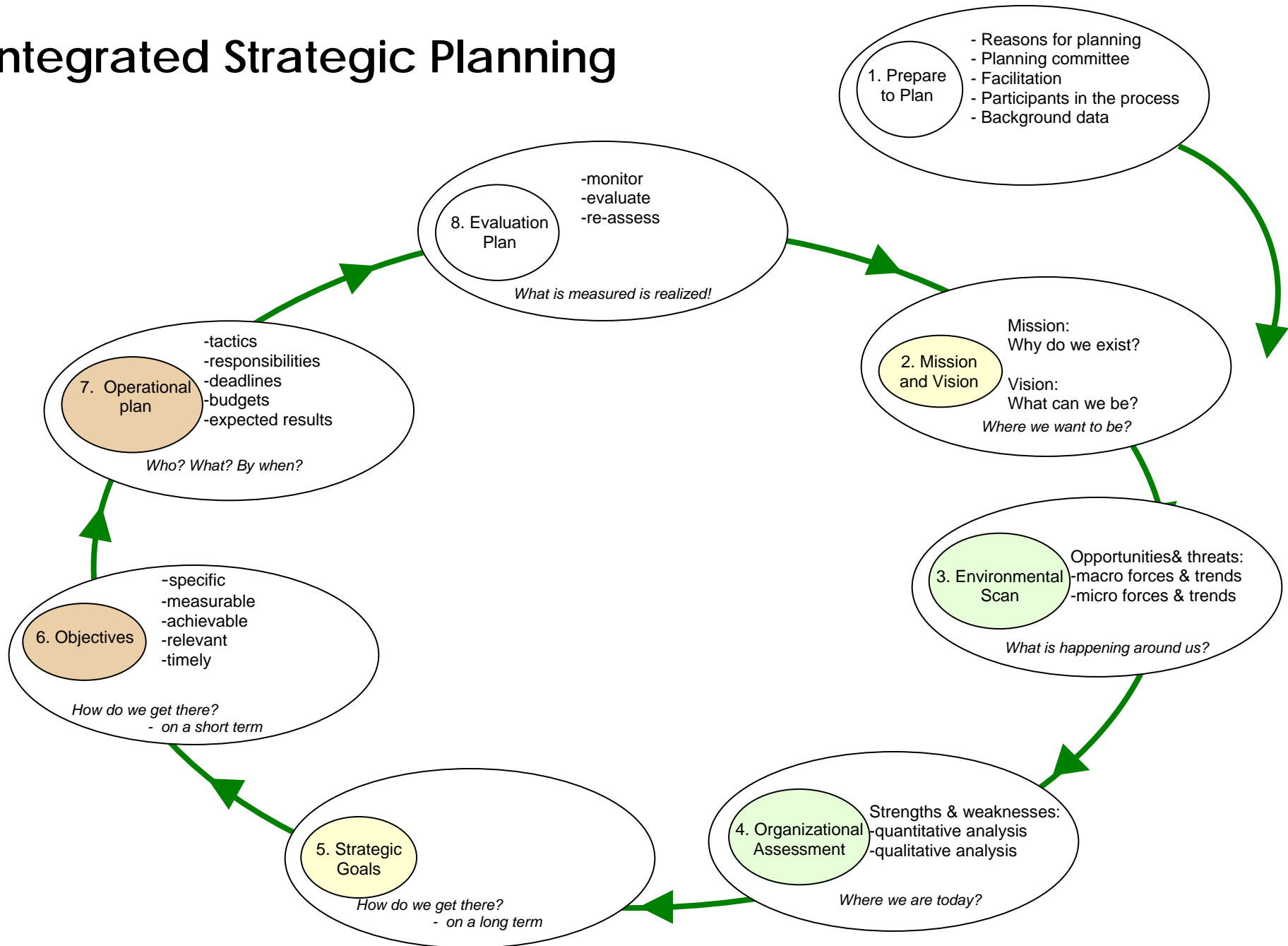
The Integrated Strategic Planning Process Diagram

The integrated strategic planning process is shown by the model on the following page.

The process is somewhat a circular flow of topics and action steps, where the results from one step initiate the actions in the next step. The order of the steps can be altered to suit the particular needs of the organization, and sometimes issues that occur in a step may cause the planning team to revisit an earlier step to do additional work.

Integrated Strategic Planning is an ongoing process where the plan is reviewed on at minimum an annual basis to assess progress, to verify that all the base assumptions are still valid and to make changes as needed.

Integrated Strategic Planning



“The beginning is the most important part of the work”

Plato-The Republic

Steps in the Strategic Planning Process

STEP 1: Prepare to Plan

The purpose of this pre-planning phase is to develop initial consent among key stakeholders about the overall planning effort and to help the organization clearly agree on critical decisions. A simple way of doing this is to address the following questions:

1.1 Reasons for Planning

Identify specific issues or choices that the planning process should address. A decision to undertake a strategic planning process is often due to some major issues, such as: “Are our programs or services still relevant? Do we need to expand or reduce the activity? Are we facing a potential loss of funding? Do we really know what our clients need? Should we change our programming focus or engage in partnerships?”

The issues or problems that are identified will impact on how the planning process is designed, who should be involved, and even whether strategic planning is the best way to address them.

Organizations should attempt to separate strategic issues (those geared to fundamental questions regarding the organization's ability to serve the community) from operational issues (crises situations included). Crises situations, such as the unexpected departure of the ED, cash shortfalls or serious board disfunctionalities should be addressed before initiating any strategic planning process.

1.2 Appoint a Planning Committee

Assemble a planning committee that will coordinate the development and implementation of the plan. Planning committee members should be those who are most directly involved in laying out the issues and options for the future of the organization. It should be a combination of board and staff members, including the ED and a plan writer.

The plan writer takes notes during planning meetings, assembles them into a cohesive document and prepares a draft for review by the entire planning committee. The plan writer must also insert options and next logical steps into the drafts at each stage of the planning process.

1.3 Consider Using an Outside Consultant/Facilitator

If resources are available an outside facilitator can be extremely helpful. A skilled facilitator can:

- Assist with information or training on planning language, tools and methods;
- Assist in developing of the overall strategic planning process;
- Advise in creating questionnaires, interview questions for the data-gathering phase;
- Create the agenda for meetings and

planning sessions;

- Guide discussions and keep the process on track;
- Act as the meeting leader by raising clarifying questions, play the “devil’s advocate” and encourage the group to examine and address complex or sensitive issues;
- Facilitate consensus building by giving everyone a voice and by balancing competing perspectives;
- Provide input and feedback on the first draft of the strategic plan document, ensuring that an action plan is developed and monitoring and assessing mechanisms are established.

There is no hard and fast rule on deciding whether to seek external help, but experience shows that organizations that are successful without facilitation support are highly experienced in planning, and have a very well defined process for strategic planning that is clearly understood by board members and staff.

1.4 Determine Who Should Be Involved and How They Should Be Involved

An effective strategic planning process is inclusive and engages a broad range of stakeholders at the appropriate phases in the process.

Stakeholders are any individuals, groups or organizations, internal or external to an organization, which have a “stake” in the success of its mission. Internal stakeholders include the Board of Directors, the ED, paid and volunteer staff members, advisory boards and committees. External stakeholders are people you serve (clients), funders, partner organizations, competitors and potential collaborators, previous staff and board members.

The planning committee should identify the key stakeholders and then determine the type of involvement and level of participation for each stakeholder.

It is important to establish clear roles, such as who will be directly involved in planning, who will provide information and opinions to the process, who will review the plan document, who will authorize the document, etc.

“A small body of determined spirits fired by an unquenchable faith in their mission can alter the course of history.”

Mahatma Gandhi

Depending on the organization’s size, culture, leadership style, and service offering, the planning committee must determine whether to include external stakeholders in the actual planning sessions or to consult them in some other way such as surveys or focus groups.

1.5 Collect Background Data

Identify various kind of information required to plan effectively, such as:

- Organizational profile: history, organizational chart, board composition and governance, programs/services, policies in place (once you have assembled all this documents, you just need to keep them up-to-date);
- Needs assessments;
- Client satisfaction survey;
- Internal stakeholders (staff and volunteers) questionnaire;
- External stakeholders questionnaire;
- Environmental analysis: general environmental analysis, sectoral analysis, competitors’ analysis;
- Program evaluations.

STEP 2: Mission and Vision

2.1 Define or Re-examine the Mission Statement

An organization’s mission is its reason for being, its purpose, or its social justification for existing. The mission statement establishes what the organization plans to do, for whom, and for what benefit it exists.

A clear mission statement allows everyone within the organization, or who is donating time, skills or money to the organization to say: *“This is my contribution to the goal.”* It ensures consistency and clarity of purpose throughout the organization and provides a point of reference for all major planning decisions.

In defining or redefining the mission some of the following questions should be answered:

- What is our business?
- What is our service/product?
- Who are our clients/users?
- What is unique about our organization (geographic, type of member, mandate)?
- What are the benefits?

“Environmental scanning is the acquisition and use of information about events, trends, and relationships in an organization’s external environment.”

**Francis Aguilar,
Professor, Emeritus, Harvard Business School**

2.2 Define a Shared Vision of the Future

An important part of strategic planning is envisioning the future of the organization – “What can we be?” The vision constitutes a future image of the organization as efficient and effective and includes a picture of how the world (clients, environment, population served) would be changed if the organization’s purpose were accomplished. According to Mark Lipton in “Demystifying the Development of an Organizational Vision”:

A vision must focus on the future and serve as a concrete foundation for the organization. It does not fluctuate from year to year but serves as an enduring promise. A successful vision paints a vivid picture for the organization and, though future-based, is in the present tense, as if it were being realized now... A vision must give people the feeling that their lives and work are intertwined and moving toward recognizable, legitimate goals.

The mission and vision statements..... represent the organizational strategic framework, and by defining them, the organization has taken an important step towards creating a shared, coherent idea of what it is strategic planning for.

STEP 3: Opportunities and Threats Facing the Organization/ Environmental Scan

By scanning the environment, planners have to look at emerging forces or trends, which can affect to varying degrees, positive or negative, the way the organization will fulfill its mission. These external forces can be anything from government actions to demographic changes, from increased competition to constituent needs, from technological advancements to changes in lifestyle, etc.

The purpose of the environmental scan is:

- To make the organization aware of various external and future oriented threats and opportunities that may require an organizational response within the planning horizon.
- To anticipate change in the environment and take advantage of the respective window of opportunity.

There are two areas to monitor:

- Macro forces and trends: political, economic, social, technical, environmental.
- Micro forces and trends: key resource controllers (clients, payers or funders, regulators, policy-maker bodies) and actual or potential competitors and collaborators.

“If one advances confidently in the direction of his dreams, he will meet with a success unexpected in common hours.”

Henry David Thoreau

STEP 4: Strengths and Weaknesses of the Organization/ Organizational Assessment

“Knowing others is wisdom, knowing yourself is enlightenment.”

Lao Tzu

The purpose of the organizational assessment is to determine the unique organizational capabilities (strengths) and developmental problems (weaknesses), in order for the organization to better pursue external opportunities and manage external threats.

To identify internal strengths and weakness, the planners have to examine the organization’s resources, its present strategy and performance.

The assessment can be done through:

- Quantitative analysis: client base, financial resources, important/influential stakeholders, numbers/ mix of donors, number of active volunteers, in-kind contributions, etc.
- Qualitative analysis: human resources/ special skills, administrative systems, image, know-how, service delivery system, etc.

STEP 5: Strategic Goals

As depicted in the image on the following page, strategic goals are those choices found at the intersection of what an organization wants to do given its strategic framework: the mission and vision, what it can do given its organization, resources and capabilities and what it needs to do given the external environment. The real challenge is to develop the capabilities, skills and attitudes to make and implement these choices.

Strategic goals can be seen as overall accomplishments the organization should achieve and are linked with the overall strategies used to achieve the accomplishments.

Goals are fairly broad, general statements of intent, focused on the organization’s unique characteristics. Goals guide the organization’s programs and functions (administration, governance, financial, marketing, etc.).

Effective strategic goals clarify the organization’s mission statement and provide the basis for developing targeted operational plans.

As depicted in the image below, strategic goals are those choices found at the intersection of what an organization *wants* to do given its strategic framework: the mission and vision, what it *can* do given its organization, resources and capabilities and what it *needs* to do given the external environment. The real challenge is to develop the capabilities, skills and attitudes to make and implement these choices.



STEP 6: Objectives

Each strategic goal carries with it specific objectives, or specific results. Reaching a strategic goal involves achieving a set of objectives along the way. Objectives are tactical applications of the strategic goals. They are written in clear, unambiguous, specific and precise terms

SMART objectives focus the organization on specific aims over the planning horizon and can motivate staff to meet the objectives set.

SMART is an acronym that stands for:

Specific objectives are clear and well defined.

An objective is specific enough when:

- It clearly states what it wants to achieve
- Those involved know that it includes them specifically and understand the objective
- All the terms are defined in an appropriate language, free of jargon

Measurable is the most important consideration, since it helps monitor progress toward objectives and shows when the objectives are completed.

Achievable objectives ensure that everything is, or will be in place, from enough resources, the necessary skill, access to key people to management support.

An achievable objective:

- Is measurable
- Has been done before, by others or is theoretically possible
- Has identified and taken into consideration barriers and limitation

Relevant objectives lead to the desired results, are aligned with strategies and strategic goals; “relevant” refers to setting appropriate objectives for an individual or team.

Timely objectives have a clear timeframe. Including a timeframe adds urgency and ensures that the pace of work is not lost over an unreasonably long timescale. In the same time, the deadline must be realistic, otherwise the objective isn’t measurable.

STEP 7: Operational Plan

Any strategic plan is useless if it is not translated into organizational action. The process for developing the operational plan is outlined during the strategic planning session. The Operational Plan (also called annual plan or action plan) links the strategic goals (the what) with objectives and tactics (the how), resources and responsibilities for the coming year.

Operational plans include:

- Tactics (specific actions)-outline the specific task that must be accomplished to achieve the strategic objective;
- Deadlines-Exact dates (month and year) when each tactic should be completed;
- Responsibilities-identify who will be held responsible for accomplishing each task (staff, board members, committee members, others);
- Needed resources-resources required to accomplish each task (funding for staff time, supplies, travel, etc.);
- Expected results-specify the desired results;

- Evaluation measures-the way to determine if success has been achieved.

Without an operational plan, there is little accountability for using and achieving the strategic plan.

**STEP 8: Monitor, Evaluate,
Re-Assess**

The Strategic Plan is a working document that has to be monitored on a continuous basis and evaluated by the board at regular board meetings, preferably quarterly. Checking the progress on accomplishing the plan's goals and objectives is an important part of the board's business on a regular basis.

Evaluation serves three purposes:

- To monitor the accomplishment of goals established in the Strategic Plan and other (unexpected) outcomes;
- To improve the organization's effectiveness by recommending new or adapted strategies based on evaluation findings;
- To communicate to stakeholders evidence of the impact and added value attained through the implementation of the strategic plan.

Lessons Learned

In the course of researching this topic, there were some general “rules of thumb” about the strategic planning process that it may be prudent to keep in mind:

One size doesn't fit all in strategic planning.

Different views of strategic planning fit different organizations, depending on which sector they are active (social services, arts and culture, sports, environment), on their maturity, size (in terms of budget and staff), on the degree of uncertainty in their internal and external environments) and on the level of knowledge on the subject.

There is no “perfect plan”; a plan is better than no plan.

Without a clear sense of direction, organizations are unlikely to arrive at where they want to go, and without strategic goals, there is no guide with whom to make operational decisions, so either stagnation occurs or too many initiatives are introduced draining organizational resources.

Stakeholder engagement and communication – increase your chances of success.

Include stakeholders (donors, clients, staff, partners) in the planning team or ask for their input in the planning process through formal or informal surveys and interviews or town hall meetings.

Internal communication is the linkage between planning and practice. Staff and volunteers alike have to fully understand their role in achieving success and what is expected throughout the process.

Once formally approved, use the strategic plan as guidance for communication plans that will increase the organization's visibility to the community and public at large.

Design a flexible and dynamic planning process.

An important aspect of an effective strategic planning process is its dynamic and flexible nature, the ability to improve the process and the plan implementation. The results and knowledge gained in the first year of implementation should be used to adjust the strategy or to set new approaches in the next planning cycle.

Success factors for Strategic Plan implementation:

- Transform the strategic plan into operational/year based plans, which are revised and modified regularly (e.g. every six months);
- Appoint a responsible person for the implementation of the strategic plan. Usually, the ED keeps an eye on the process and reports the changes to the board;
- Incorporate into the plan an evaluation plan that shows: how the organization will know whether it's accomplished what it set out to do and how it will make adjustments to the plan so that its goals are accomplished.

Final step: Write and Adopt the Written Plan

The planning process is over, the mission and vision are clear, strategic goals and objectives agreed upon. It's time to put everything down on paper. The plan writer, a member of the Planning Committee, drafts a planning document and circulates it for review to all decision makers. This is also the time for a reality check to determine whether the plan is detailed enough about priorities and directions to serve as a guide. Once the feedback is incorporated into the draft, a final version is submitted to the board for adoption.

Conclusion

Sample Table of Contents for an Integrated Strategic Plan:

1. Mission Statement
2. Vision for the organization in the far, but imaginable future
3. Organizational context and key strategic issues to be addressed
4. Strategic goals (3 – 5 years)
5. Objectives related to each strategic goal (3 – 5 years)
6. First-year operational plan (who is going to do what, by when)
7. Monitoring and evaluation plan
8. Appendix:
 - Summary of assessment data SWOT (strengths, weaknesses, opportunities, threats) analysis
 - Strategic planning process overview
 - Brief organizational history and profile

The process of strategic planning is an ongoing, continuous process to respond proactively to changes in the internal and external environment.

- Non-profit organizations usually plan for a three or five year framework in a rigorous way and capture the results in a written document: the Strategic plan.
- During the implementation of the plan, the board reviews the progress on a quarterly basis.
- The planning team has to meet once a year to evaluate progress, set priorities, and approve an operational plan for next year.
- A full strategic planning process should be conducted when the previous cycle is over, once every three or five years.