

# Some Thoughts on Strategic Planning *for Non-Profits*

An Interview with former Urban Harvest Executive Director Bob Randall

My husband Bob Randall, Ph.D. has considerable experience with strategic planning. He wrote his University of California Berkeley dissertation on how individual low income farmers and fishermen plan, has published academically on planning over several decades, and has a chapter coming out in an anthropology book in 2013. He was an author along with many others of three strategic plans at Urban Harvest (1997, 2002, 2006) that many credit with that organization's phenomenal 14-year growth (see [www.urbanharvest.org](http://www.urbanharvest.org)) from a \$500-in-the-bank idea to an organization with five divisions and over \$800K budget. He has also been on the board or an officer of a very diverse range of non-profits both local and international.

I asked Bob to answer some of my questions about strategic planning.

Nancy Edwards, March 2008, 2010

Since I answered Nancy's questions in 2008, I have continued to get requests for this document both from individuals and at least one major foundation that gives funds to non-profits. As questions came back, I have tried to clarify what I wrote.

Bob Randall, December 2012

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## Why is Strategic Planning Useful?

Every for profit and not-for-profit organization has some type of plan, consent agreement, or covenant. If there is no explicit plan on paper, then it is in the head of whoever is in charge (CEO, E.D., Boss, Minister, Chair of the Board, etc.) or in many heads if no one is in charge. If it is not on paper, the odds are that it is not thoroughly thought through or talked out, and there is a real danger that others concerned about the organization have discordant plans and expectations. This inevitably leads to dissatisfaction because whoever is leading is repeatedly seen as making poor decisions, capricious decisions, or worse. Factions inevitably develop over matters both serious and trivial and there is chronic political maneuvering to curry favor, create alliances, gain advantage, or fire staff culprits. In non-profits, it is worse because volunteers, donors, and mission-oriented, but poorly paid, valuable staff express their dissatisfaction by leaving the organization. If enough supporters leave, the organization is dealt a blow from which it cannot easily recover.

From management's point of view, there is no way to sift through (let alone implement) the constant stream of "good ideas" that well-meaning volunteers and staff constantly throw out for consideration, or any real way to deal with the dissatisfaction such people have when they are ignored or shot down. It is easy to propose a great program and the devil to implement it with the existing staff and funds. If a plan has been adopted, there is a standard to point to and say, "This is not part of our mission", or "Our funds are already committed. We cannot afford to do what you suggest."

Strategic planning is also the answer to the desire for transparency. The plan is public information. If something is in the plan but it is not being done, "Why not?" is a legitimate question. If something is not in the plan, the fact that it hasn't been done is a good thing.

Finally, good strategic planning leads to a higher level of satisfaction among volunteers, donors, and staff. There is less burnout and disappointment, and over time, more hands working on the issues and more success.

## **What are some common arguments against strategic planning and what do you think about them? Critics of strategic planning often say they were once involved in such an effort, and it was a huge waste of time because the boss put it in the file cabinet and forgot it. What do you think of this?**

First, most strategic plans are corporate, and the bulk of strategic planning research is from the for-profit world. Non-profits are in major ways different, so corporate strategic planning is not the best model for a non-profit, and experiences with them are only partially relevant. Consultants who learned about strategic planning in the private sector are not always optimally helpful for creating plans for non-profits.

Second, no plan is any good as far as action and positive change goes if it is done poorly or put in a file cabinet (or computer file) and ignored. And one certain way to assure failure is by creating a plan that key lead-

ership doesn't deeply support. Urban Harvest's first plan in 1997 was poorly done and was shelved fairly quickly, mainly because most of us knew almost nothing about such plans, or why we needed one. As well, the three-year old organization was still figuring out its mission. But that plan taught us to plan. The second strategic plan in 2002 was much longer, more detailed, and amazingly, we achieved nearly all our major goals.

On the other hand, even if such weak plans are buried, they may create something positive by getting all supporters to have a perspective on what others want to get done and why—that is, *what is thought desirable*, and what are plausible ways to do it—that is, *what is thought feasible*.

## **Critics of strategic planning often say that you can put a lot of time into a plan that will be obsolete before you can get half of the group to read it. What do you think of this?**

These plans are not cut in stone. They are meant to be an evolving document. Opportunities develop that planners don't anticipate, and an organization would be foolish not to look at them. Also the best-laid plans sometimes turn out to be premature ideas or wrong ones. People who were expected to do something may turn out not to be able to. There is nothing wrong with changing a plan when you need to, but if you do have a strategic plan, the people who ratified the plan need to be consulted before a part of it is ditched or amended.

## **What are the main differences between strategic planning in for-profits and in non-profits?**

For-profits tend to have 1-2 main goals (become number one in Texas; sell the best widgets). So it should be explainable in two sentences “while in an elevator” it is said. Non-profits may be trying to achieve multiple main goals none of which are superior to any other (or agreed by all to be superior). As well, non-profits have in addition to earned income, also **donations**, and lots of **labor either not paid or paid at below for-profit wages and benefits**.

Non-profit staff, volunteers and donors all count as reward not just monetary compensation, but especially the achievement of possibly multiple, mission-related goals they believe in. If they see themselves as contributing to an important worthwhile difference, they will be much happier, contribute more, and remain with the organization longer than if they see their contribution and efforts come to naught.

Non-profit organizations and particularly their supporters need to achieve mission-oriented goals. These are not necessarily monetary or even numeric. Strategic planning is essentially a process for making public the range of ideas about how to achieve these goals while resolving disagreements about options, and developing agreement about the course forward.

## **What are the Best Ways to Have Quality Supporters?**

Since the concept of *supporters* is key to what non-profit planning should be about, some elaboration is necessary. In common strategic planning literature, *stakeholders* are people who put considerable time or money into an organization, and care a lot about what it does and accomplishes. But I prefer to substitute *supporters* since there is no personal profit-motive in a non-profit, nor any direct claim on its assets.

In non-profits, supporters are volunteers, donors, board members, committee members, *and as well*, staff members who are involved with the organization because they have a strong desire to achieve the non-profit's mission. A good non-profit strategic plan grows the numbers and quality of supporters by having each supporter conclude that their contribution has helped and will continue to help achieve the mission. And this only happens when good planning is done every few years.

In a good planning process, all supporters may learn that goals they may regard as desirable have drawbacks they didn't realize or others dislike, or are more difficult to do than they realized, or may realize that doing one thing means not doing something else. And because an organization's supporters have a wealth of as-

sets—skills, knowledge, wealth and connections, and diverse experiences<sup>1</sup>, the goals and the plans may be enriched when more supporters understand what is planned or could be done.

As well, nearly any action in a non-profit affects, not only program and mission, but also money costs and labor commitment (finance), as well as fund-raising (development). Very few supporters in an organization understand in a specific case the interaction between mission, finance/staffing, and development, so it is common for a supporter to propose something because it furthers mission that will reduce staff or volunteer ability to do something else, and it is not unusual for someone to propose fundraising that could be in conflict with mission goals. So planning is an opportunity to put a group of people together to explore the interaction of proposed development, finance, staffing, and program goals.

In a non-profit, strategic planning helps attract donors and especially talented staff and committed volunteers because the plan increases the odds that their contributions will result in mission accomplishment satisfactions. If the supporters are (a) dedicated to mission, (b) reliable, (c) well-organized, (d) work respectfully with others, and (e) have useful skills and knowledge, then a good agreed-upon plan will likely accomplish the mission. Moreover, this accomplishment will attract more such volunteers and this amplifying feedback process snowballs into more supporters and more accomplishments.

At Urban Harvest, over a period of 14 years we recognized 300 individuals who had contributed more than 5 years of service, and estimated their labor value (@\$10 per hour) as exceeding that of donated income.

## **From your experience, what are the main parts of a good non-profit strategic plan?**

**First**, a non-profit organization needs to have a problem, mission, vision statement that talks about what problems it is trying to address and what it would do eventually if it could. If “eventually” is too long a time frame and too utopian for people to stomach, make a vision aimed at 25 years.

Any people who might want to help, need to know what sort of an organization they are working for. There needs to be an explicit statement (or video) of what the organization wants to do. For-profit strategic planning has the idea that you should be able to say this in a few sentences, though I really don’t see the point of this *in a strategic plan*. For marketing or talking to the public, it may be helpful to reduce a three-page statement of the sort I am envisioning to a few lines. But the original needs to be sufficiently detailed so anyone willing to read three pages gets a sense of the problems being addressed and the solutions envisioned.

**Second**, there needs to be a statement of five-year goals for the organization. This should include all problems of any type from gigantic to small not just for the organization as a whole, but for all of its parts. They can be development goals, staffing goals, committee development goals, program goals, or facilities goals. The only limitation on this is (1) they might likely be addressed within five years and (2) there is consensus among supporters that these need to be addressed within five years.

**Third**, there needs to be two-year or one-year immediately achievable goals that will either meet the five-year goals or will make progress toward the five-year goals. These goals need action plans attached to them. What specifically will be done to achieve them? Who will be responsible for getting it done and by when (e.g., a staff person? A committee? A sub-committee?) ? How will they be held accountable and by whom? Attached to this needs to be a budget, an assessment of staff impact, and a facilities impact if relevant. And a statement needs to be provided about where the funds will come from to do it. In this way, **all** supporters become aware of the real problems in making desired changes and are more likely to work in a cooperative and organized way to achieve the goals.

**Fourth**, there needs to be an Executive Summary of the plan so that someone who isn’t charged with implementing it can digest the main ideas quickly. At Urban Harvest, we created a three-page vision statement in 2002. Our 2006 goal and plan statement ran 23 pages, and our budget and finance attachment went 17 pages. We had a 6 page Executive Summary and can state the mission in two sentences if needed.

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<sup>1</sup> This concept of people assets is promoted in a branch of community organizing called ABCD—Asset Based Community Development. See Northwestern University’s <http://www.abcdinstitute.org> or order online <http://www.abcdinstitute.org/publications/basicmanual/> .

## How long does it take to make a good strategic plan and how often do you do them?

Use whatever amount of time it takes to do it right and achieve wide agreement. The first time it will take much longer. I would allow a year. Make a new plan whenever the old one is out of date, or if many of the goals have been achieved, or if the management, staff, board members and other supporters' identities have changed significantly, because above all else, they are the ones that need to be committed to the plan.

## Who should make the plan?

Start it out with a brainstorm about problems at an all-day staff-board-key committee members retreat, and then meet once or twice monthly until it is in a draft, then expose it to the widest supporter group possible for comment and correction<sup>2</sup>. Make sure that any person expected to implement a plan provide critique before adoption.

You will also need a person who has everyone's confidence to assemble the ideas into one ongoing DRAFT document with dozens of editions. At UHI I did this, although many committees created their own plans by working with staff liaisons.

Above all else, key staff and board need to be involved. If they aren't you are wasting everyone's time. Anyone else with the time and interest to be involved could be, including hired outside consultants, but assess non-profit experience in hiring consultants, or you may lose the supporter-maximizing goals. Groups within the organization (like committees or committees joined with staff liaisons) should make their own strategic plans and these should be added to the overall one and looked at by the whole, so in the end everyone supports what everyone is doing.

## What else did you learn about strategic planning?

To a surprising degree, I found that the effort's success depended on how we saw the nature of the problems we faced. Some psychologists think that people see abstract problems as "neural nets", while linguists use the term "frame" for essentially the same thing. Broadly, we are asked the question how does the non-profit see the strategic problems it faces? What problem that I have faced before is "like" this one? What organization that I was in before is like this one? In short, what analogy is most apt for planning our future?

In non-profits with a lot of supporters, there are obviously many possible frames, since people have different past experiences with other organizations and other problems. And consequently, there are many possible arguments about appropriate plans for solving the problems. In my experience, which analogy prevails is crucial to the results. Supporters say things like:

1. "Our non-profit is like the bank I work in. To the extent it is, I have some suggestions as to how to cope with our budgeting problems."
2. "Our non-profit is like the non-profit my wife works in. To the extent it is, perhaps we can solve our fund-raising problem."
3. "The problem we are trying to solve is like the problem of illiteracy. Maybe we should start a school system to spread knowledge."
4. "Our problem is like that of an unbalanced ecosystem. Maybe we need to add diverse programs and connect them beneficially to each other, and increase the functions each part provides."

My point is that all comparisons to a supporter's experiences and problem solutions are worth looking at. That is a source of wealth for the group. But when a supporter advocates an analogy or frame, the group should respectfully look for ways also that it fails. In my experience, many dead ends can be avoided by this simple act.

So is your non-profit "like" the ones I have known? Why not find out?

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<sup>2</sup> If you think you may need to phase out some area or discuss such ideas, you may not want to invite staff at first, but I think it is very important that relevant staff look over and suggest modifications regarding proposed changes in areas they know about, before volunteers invest too much time in potentially unworkable plans.