

A decorative geometric pattern in the top-left corner, featuring a repeating star and polygon motif in a light teal color against a darker teal background.

STRATEGIC PLANNING

FOR NONPROFITS

STRATEGY IN A NUT SHELL

Strategic planning answers 5 questions . . .

**Why do we
exist?**

**Where are we
now?**

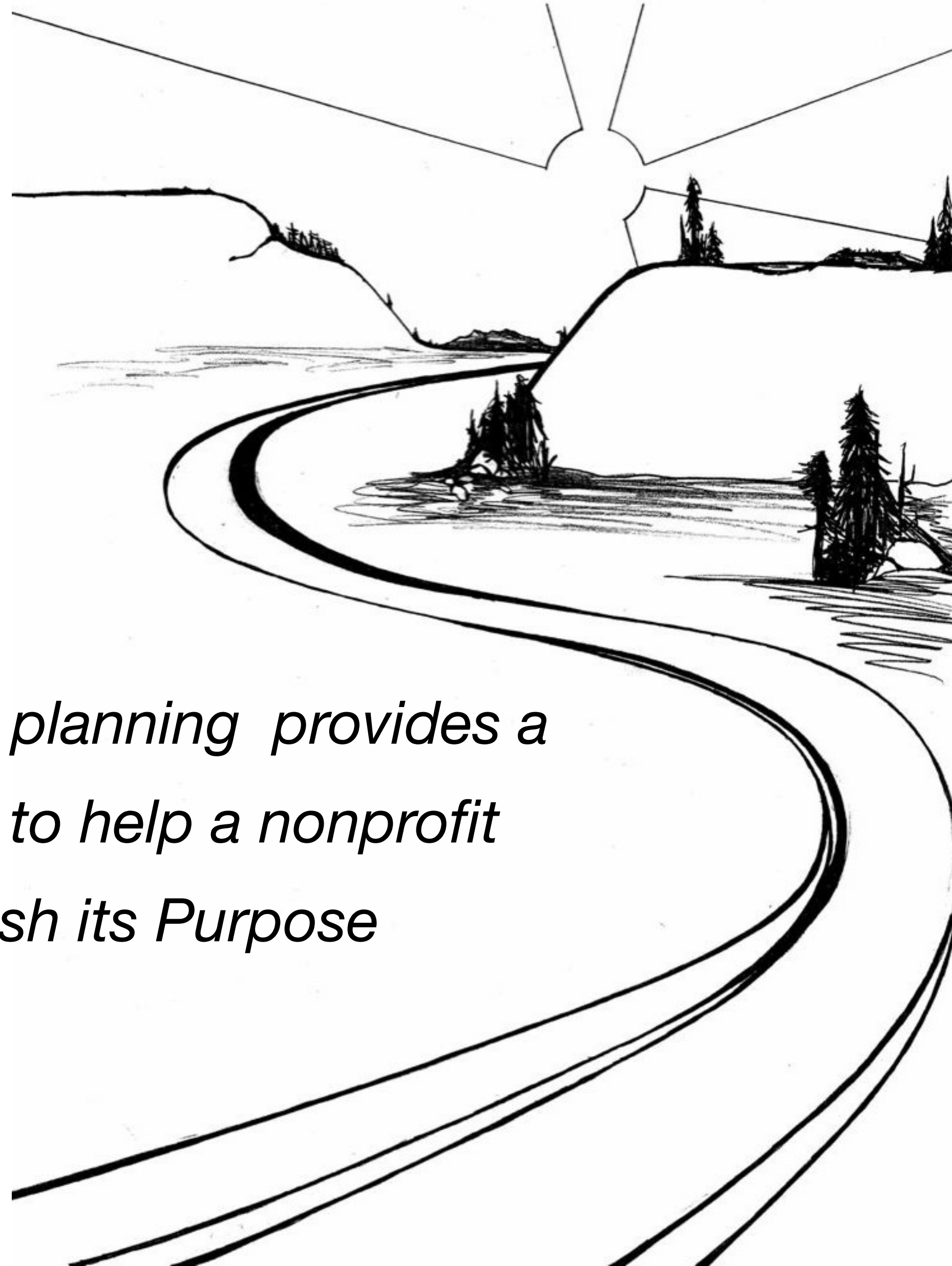
**Where would
we like to be?**

**How are we
going to get
there?**

**How will we
know that we
are on track?**

. . . through a structured process.

WHY STRATEGIC PLANNING IS IMPORTANT FOR NONPROFITS



Strategic planning provides a roadmap to help a nonprofit accomplish its Purpose

- *Establishes clarity & agreement on the nonprofit's Purpose*
- *Guides the allocation & utilisation of resources*
- *Guides & improves decision-making*
- *Helps to anticipate and manage change & uncertainty*
- *Enables the organisation to function from an intentional and active place rather than a reactive one*
- *Prepares the organisation for the future*



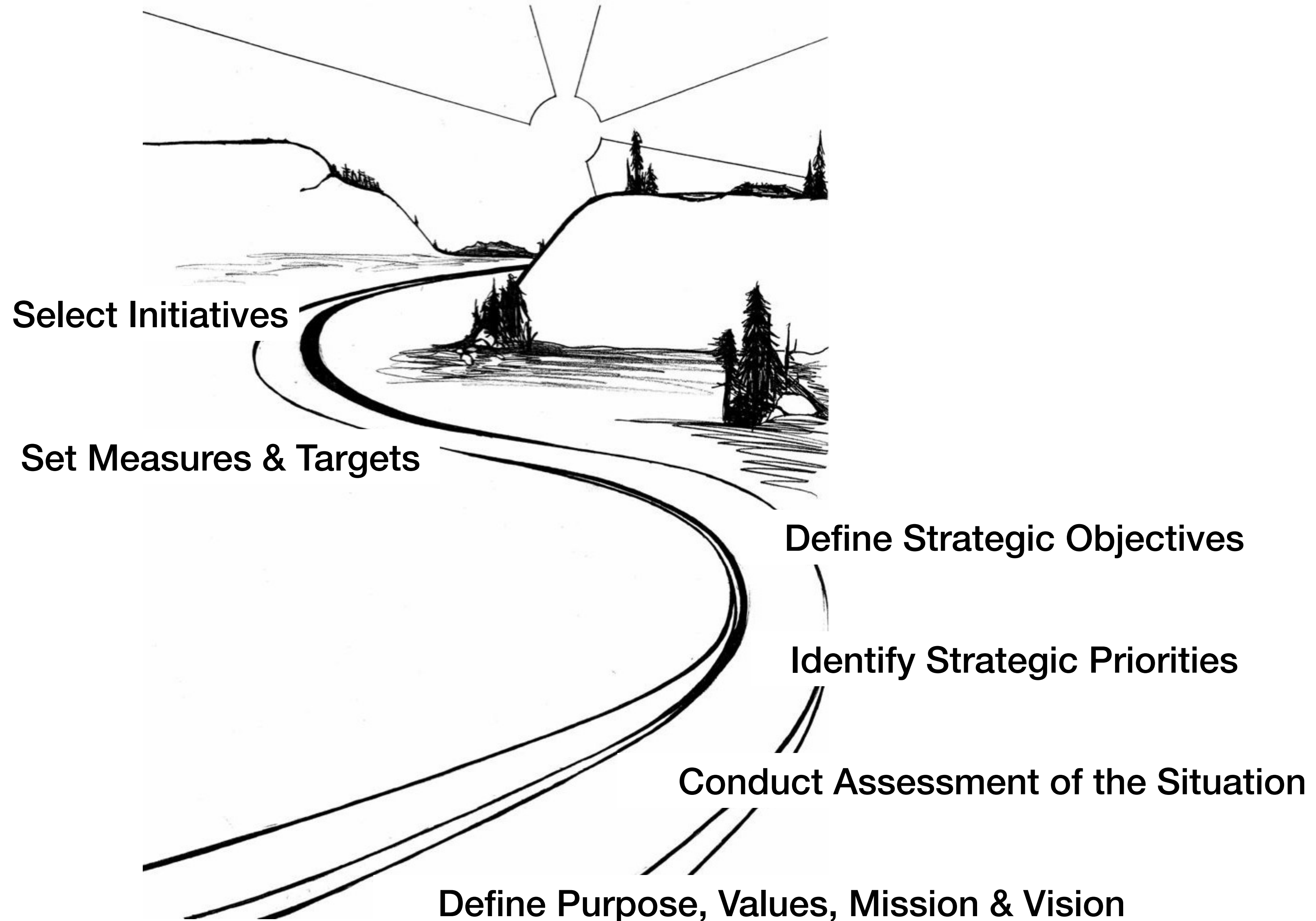
***DOES YOUR ORGANISATION HAVE A
STRATEGIC PLAN?***

- A. YES*
- B. NO*
- C. YES, BUT IT NEEDS TO BE UPDATED*
- D. YES, BUT WE DON'T FOLLOW IT*
- E. I DON'T KNOW*

PREPARING FOR STRATEGIC PLANNING IN A NONPROFIT

-  *Establish a Strategic Planning Team that is **diverse** and ideally **representative** of all Stakeholders - Board, Management, Staff, Donors, Partners, Volunteers, Beneficiaries and Community Members*
-  *Decide on a **planning framework***
-  *Decide on a **planning time horizon**, typically 3 to 5 years*
-  *Gather **information** about the organisation, the operating environment (including Competitor organisations), the economy, social trends, insights from others (Board, Management, Staff, Volunteers, Donors, Partners, Beneficiaries and Community Members)*
-  *Decide on a **planning format** - ~~onsite meeting~~, retreat, remote*
-  *Set up a **project plan** to time box the process*
-  *Assign **responsibility** to drive the process*

ROADMAP OF THE PLANNING PROCESS



START BY DEFINING THE ORGANISATION



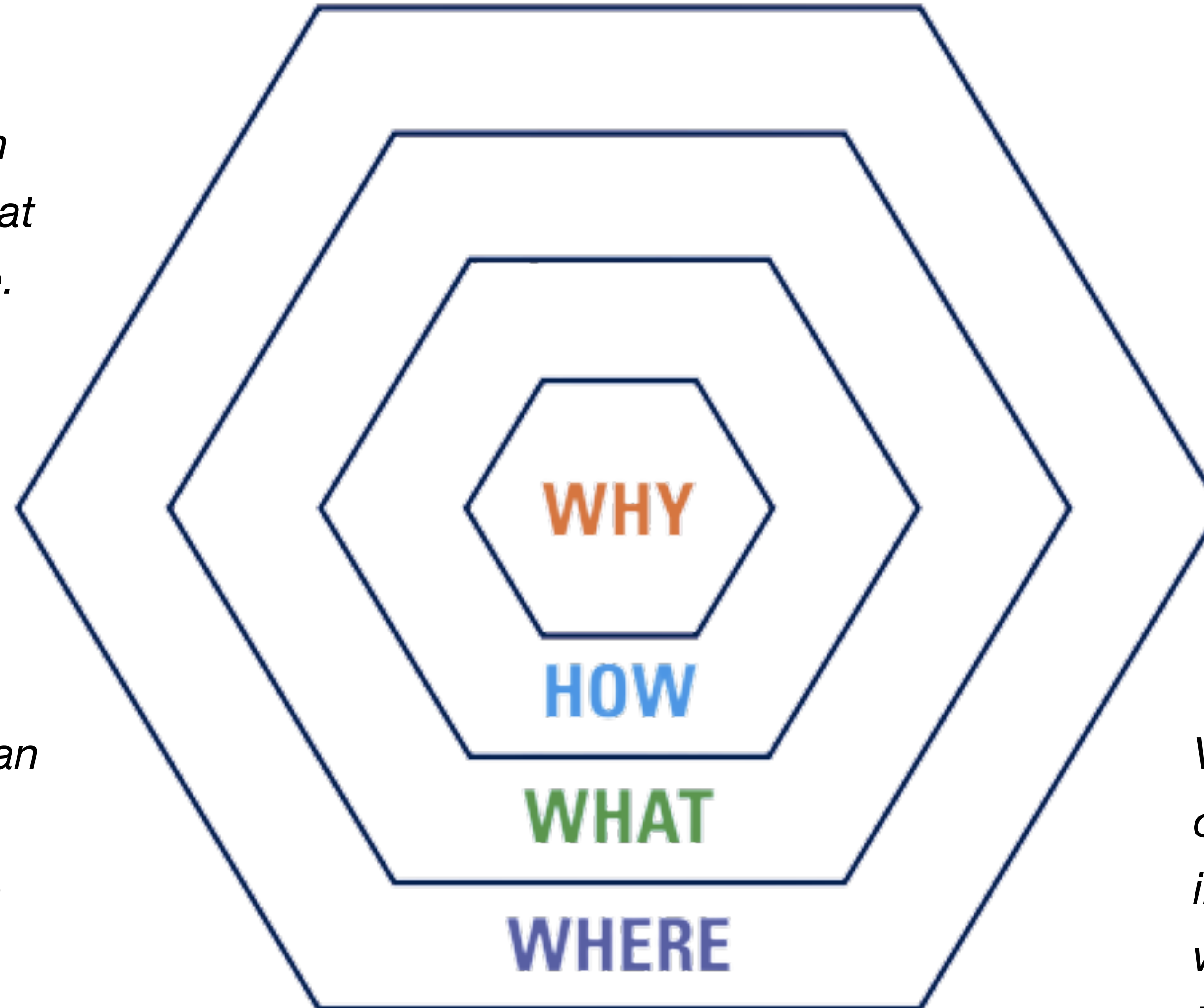
PURPOSE

Purpose states **why** an organisation exists - what issues it seeks to solve.



MISSION

Mission sets out **what** an organisation does to accomplish its Purpose



VALUES

Values describe **how** the organisation behaves. What guides conduct in how it operates in pursuing its Purpose



VISION

Vision describes **where** the organisation intends to have impact. It is a visualisation of what success looks like if the Purpose is accomplished.

ASSESS THE CURRENT SITUATION

<p><u>POLITICAL</u></p> <p><i>What are the regulatory issues, forms of legislation (enacted or pending) that could affect the organisation?</i></p>	<p><u>ECONOMIC</u></p> <p><i>What major trends in the economy exist?</i></p>
<p><u>SOCIAL</u></p> <p><i>What are the major changes in tastes, preferences, and behaviours?</i></p>	<p><u>TECHNOLOGICAL</u></p> <p><i>What significant developments on the technological frontier could impact the organisation?</i></p>
<p><u>ENVIRONMENTAL</u></p> <p><i>What environmental concerns face the business?</i></p>	<p><u>LEGAL</u></p> <p><i>What are the prevailing legal conditions and how might they affect the organisation?</i></p>

PESTEL ANALYSIS

A macro-level tool used to examine the broader external environment in which the organisation is operating. The results of a PESTEL analysis can be critical in formulating a high-level understanding of macro-environmental strategic influences.

ASSESS THE CURRENT SITUATION

*What we are
capable of doing*

HELPFUL

HARMFUL

STRENGTHS

WEAKNESSES

*What are we good
at?*

*Where can we
improve?*

OPPORTUNITIES

THREATS

*What possibilities
exist out there for
us?*

*What out there can
negatively impact
us or stand in our
way?*

*What is needed & feasible
in the area of our work*

SWOT ANALYSIS

A SWOT analysis reflects your Strengths, Weaknesses, Opportunities, and Threats in an organised list that facilitates assessment of the nonprofit and the environment in which it operates.

ASSESS THE CURRENT SITUATION

What we are
capable of doing

	HELPFUL	HARMFUL
INTERNAL	STRENGTHS What are we good at?	WEAKNESSES Where can we improve?
EXTERNAL	OPPORTUNITIES What possibilities exist out there for us?	THREATS What out there can negatively impact us or stand in our way?

What is needed & feasible
in the area of our work



To accomplish our Purpose, how might we . . .	OPPORTUNITIES	THREATS
STRENGTHS	use our strengths to take advantage of opportunities?	use our strengths to minimise threats?
WEAKNESSES	address weaknesses to take advantage of opportunities?	address weaknesses to avoid threats?

The answers to these
questions generate
ideas for the big
moves we must make



***HAS YOUR ORGANISATION CONDUCTED
A SWOT ANALYSIS RECENTLY?***

A. YES!

B. NO!

C. I DON'T KNOW

CHARTING THE WAY FORWARD TO ACCOMPLISHING YOUR PURPOSE



IDENTIFY **STRATEGIC PRIORITIES**

These are the big moves that must be made to accomplish the Purpose



SET **TARGETS & MEASURES**

How progress on the strategic objectives will be determined - what will be measured and what will the value of the measure be.



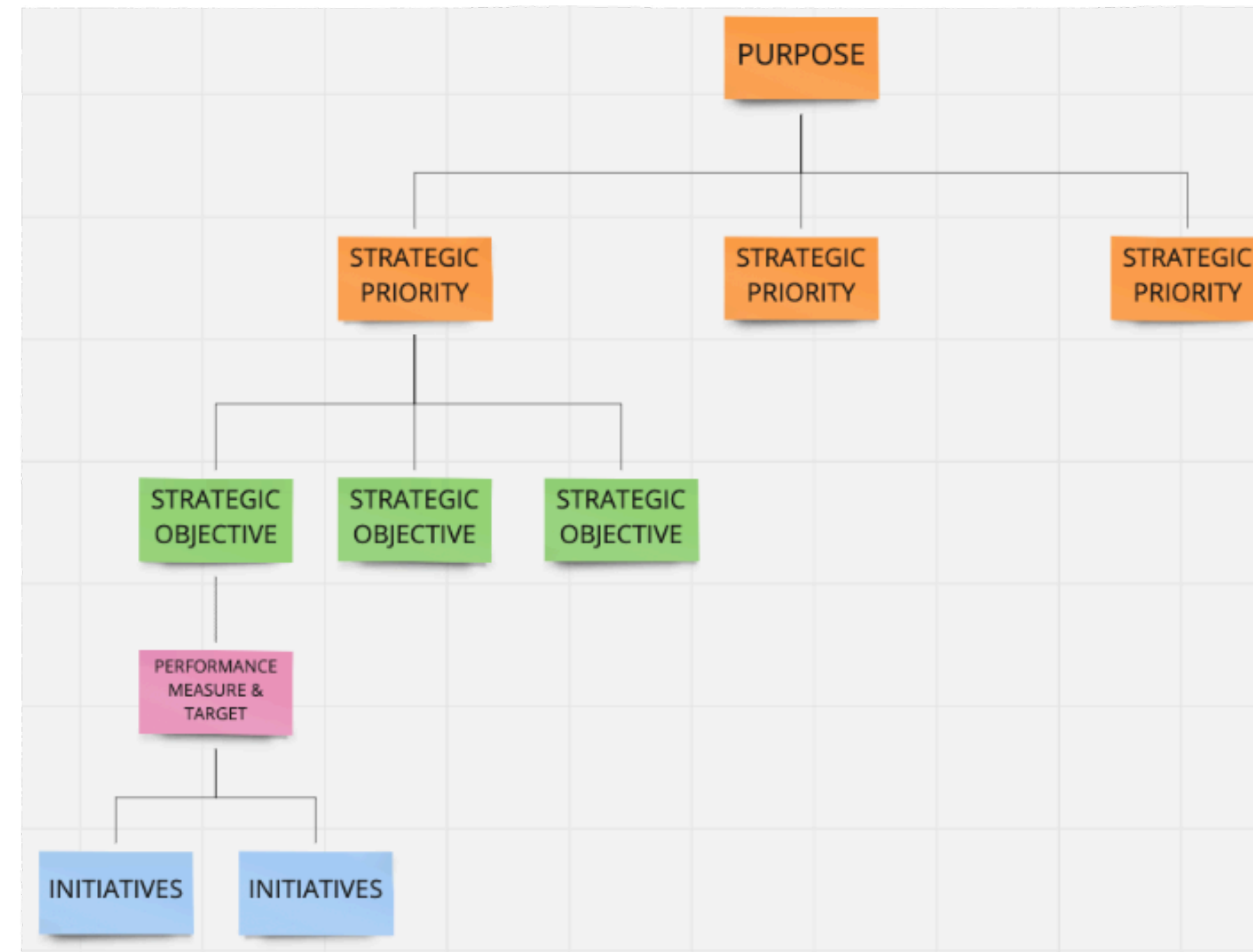
DEFINE **STRATEGIC OBJECTIVES**

The concrete steps for action that must be taken to make the big moves



SELECT **INITIATIVES**

The projects / activities that will be undertaken to achieve each of the strategic objectives



BALANCED SCORECARD


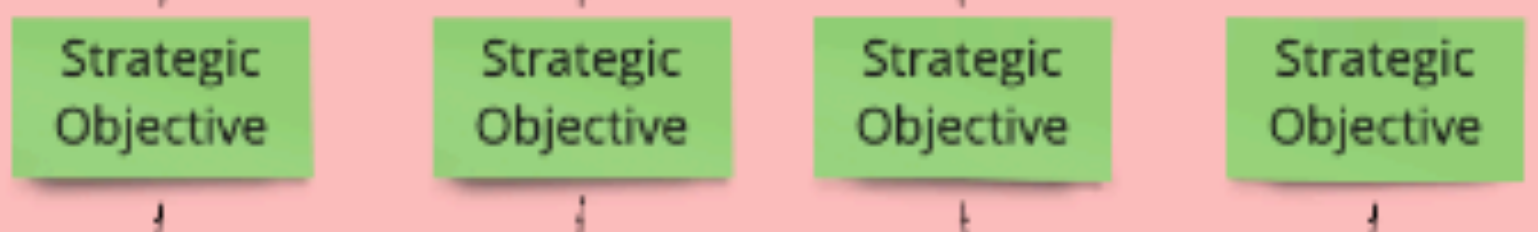
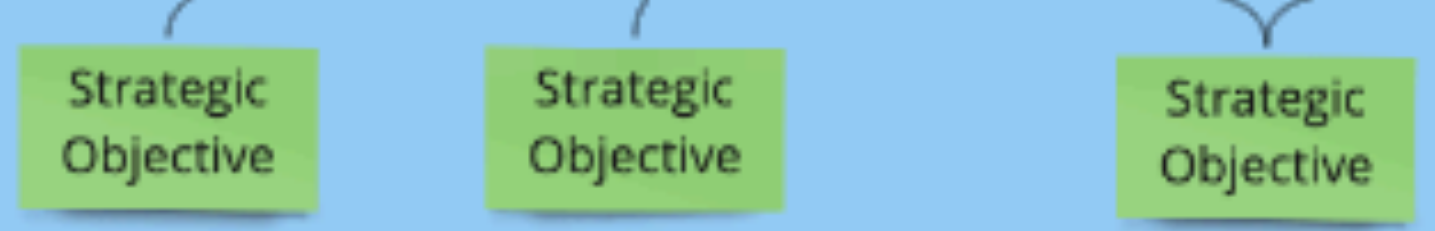
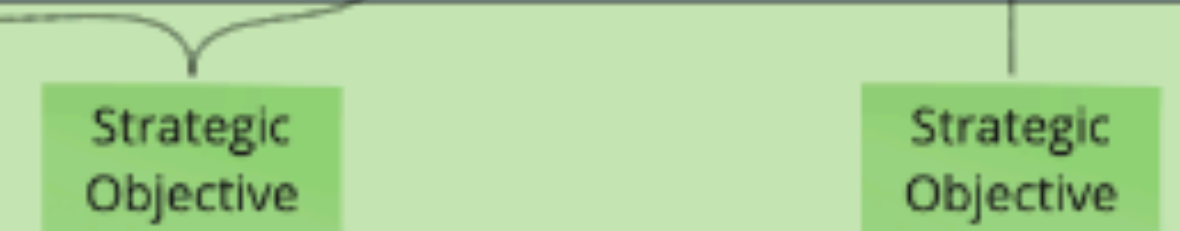
- *Strategic performance management tool developed by Drs Kaplan and Norton*
- *Instead of looking at the organisation in terms of functions or departmental silos, it looks at the organisation holistically and provides a balance between the financial and non-financial areas*
- *Organisation is viewed in terms of 4 perspectives Financial, Customer, Internal Process and Talent & Technology*
- *Translates strategic objectives into into a coherent set of performance measures*



BALANCED SCORECARD ADAPTED FOR NONPROFITS



STRATEGY MAP

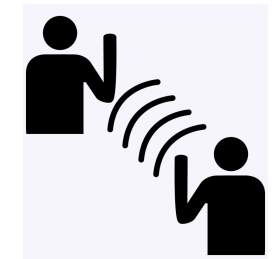
PURPOSE	<i>We exist to reduce hunger in impoverished communities in South Africa</i>			
VALUES	<i>Our behaviour is guided by the Islamic values of Compassion, Excellence and Respect</i>			
MISSION	<i>We provide meals to school children, run soup kitchens for the homeless and needy, and empower communities to grow food.</i>			
VISION	<i>A South Africa that is free of hunger</i>			
STRATEGIC PRIORITIES	<u><i>Donation Revenue</i></u> <i>Grow donation revenue to achieve financial sustainability</i>	<u><i>Service to Recipients</i></u> <i>Provide more help to more people</i>	<u><i>Organisational Development</i></u> <i>Adapt the organisation to provide greatest impact in the post-pandemic world</i>	
	STRATEGIC OBJECTIVES		MEASURES	TARGETS
BENEFICIARIES			Measure Measure Measure	Quantum Quantum Quantum
INTERNAL PROCESS			Measure Measure Measure	Quantum Quantum Quantum
TALENT & TECHNOLOGY			Measure Measure Measure	Quantum Quantum Quantum
RESOURCES			Measure Measure Measure	Quantum Quantum Quantum

PREPARING FOR UNCERTAINTY

Achievement of Strategic Objectives is critical to the strategy. Anything that can prevent this needs to be addressed.



Having a Strategic Plan is only one part of the equation . . .



COMMUNICATE

Those who are to implement the strategy must understand and internalise it.



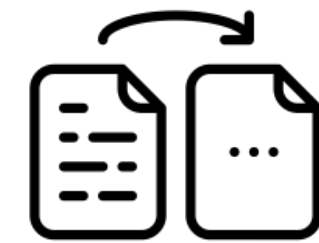
MONITOR

Performance results should be monitored and reported on a monthly basis.



RESPONSIBILITY

Assign a Strategy Champion to lead & coordinate implementation, monitoring & evaluation activities



TRANSLATE

Translate strategic planning into clear business goals by giving teams or employees ownership of specific strategic objectives.



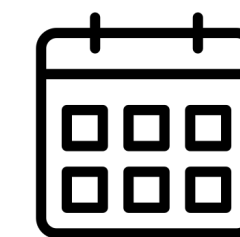
REVIEW

The Strategic Plan should be reviewed quarterly for performance and annually in its entirety - questioning the base assumptions



LINK TO PERFORMANCE

Performance management process must be firmly linked to and rooted in the organisation's core strategy



SCHEDULE

Monitoring, evaluation & review events should be scheduled and form part of the corporate calendar.

REASONS WHY STRATEGIC PLANS FAIL

1. *Having a plan simply for the sake of having a plan.*
2. *Not understanding the environment or focusing on results.*
3. *Partial commitment.*
4. *Not having the right people involved.*
5. *Writing the plan and putting it on the shelf.*
6. *Unwillingness or inability to change.*
7. *Having the wrong people in leadership positions.*
8. *Ignoring marketplace reality, facts, and assumptions.*
9. *No accountability or follow through.*
10. *Unrealistic goals or lack of focus and resources.*



