



## **Glossary of Terms - Module 3: Setting Organizational Direction**

**Core Values:** Fundamental beliefs of a person or organization. These guiding principles dictate behavior and can help people understand the difference between right and wrong. They also help companies to determine if they are on the right path and fulfilling their goals by creating an unwavering guide.

**Goals:** Desired accomplishments (programmatic, administrative, developmental, and otherwise).

**Mission Statement:** The fundamental purpose and reason for which an organization exists. A brief description of the organization's approach to selling them need it was created to address.

**Objective:** a thing aimed at or sought; a goal.

**Policy:** A written in finding guidelines for action; creates limits on the range of acceptable options.

**Stakeholder:** A person, group, or organization that has interest or concern in an organization.

**Strategic Planning:** an effort to look at the organization in its environment and chart a future direction.

**Values Statement:** A written description of the beliefs, principles, and ethical guidelines that direct a nonprofit's planning and operations.

**Vision Statement:** A picture or dream of a desired future. Describes the organization's impact in the future and refers to what the organization itself will be like at some point in the future. It should generate energy and enthusiasm for moving forward. Without it, the organization could stagnate and decline.



## 5 Phases of Strategic Planning

Strategic planning often unfolds in a series of five phases, with each phase building on the one that came before. When beginning a new phase of strategic planning, it is important to keep a few key questions in mind.

### 1. PLANNING TO PLAN

The planning to plan phase focuses on what the strategic planning process will look like and who will be involved. The chief executive is responsible for preparing the staff and board. Begin by addressing the following questions:

- Is our organization ready for strategic planning?
- What is our history of planning?
- How will we facilitate the process?
- Who will we include in the planning process?
- What kind of human and financial resources do we need?

### 2 UNDERSTANDING THE CONTEXT

To fully understand the context in which your organization exists and to evaluate the various forces that affect its present and future, it is important to compile, synthesize, and absorb information about your organization's external and internal environments.

In scanning the external environment, it is important to determine opportunities as well as threats or obstacles. Use the following questions to help guide discussions:

- What opportunities and threats does the organization face?
- What do external stakeholders (clients, partners, community) need or expect from the organization?
- How well does the organization perform relative to its competitors (competition for clients, volunteers, support, etc.)?
- How might changing demographics and other economic, social, and political trends affect a constituent, client, or membership base that provides a primary revenue stream?

Historical data about your organization's past provide valuable information on the internal forces that shape its future. The historical synopsis might include a description of major milestones, events, or changes and the impact those have had on your organization.

- Have we had a change in leadership, personnel, or mission recently? What does this tell us about our organization?
- Has our economic status, funding, or programming changed since the organization was founded? Why?
- How effective are our resources? Why or why not?



- Are our members and other stakeholders satisfied?
- What are the needs and expectations of our clients? Are we meeting them?

### **3 AGREEING ON PURPOSE AND DIRECTION**

Once you understand the context in which the organization operates, it is time to address questions regarding the vision and mission. The third phase should address foundational agreements such as:

- Why does the organization exist?
- What will be the ultimate result of its work?
- What are the values that the organization's members share?

### **4 MOVING FROM VISION TO ACTION**

Set vision priorities.

After agreement on the mission and vision, the next phase is to agree on five to seven important areas of focus in order to achieve the vision.

- What concrete steps can we take to move towards our vision statement?

Assess the infrastructure.

With the mission and vision priorities defined and agreed to, the next step is to ensure that your organization is organized to do the work today that will support the vision priorities you have identified for tomorrow. Questions to address include:

- What are the functions in the organization (financial, programmatic, support, etc.) and how do they relate to each other?
- How well will our current infrastructure enable us to achieve our vision priorities?
- Are there any functions missing?
- Do we have functions we no longer need?

### **5 MONITORING PROGRESS**

Strategic planning does not end when the plan has been written and distributed. A well-formed framework or plan will guide decision making and help ensure that all activities and programs are aligned with the organization's mission. Ongoing monitoring and revision are two important aspects of effective strategic planning. The organization should ask itself:

- How are we incorporating vision priorities, goals, and actions of the strategic plan into program and individual work plans and budgets?
- Do we have appropriate evaluative metrics in place to help regularly review performance?
- Are we referring back to the strategic plan in less formal ways, such as during staff meetings, committee meetings, and individual performance reviews?



## Elements of a Strategic Plan

### CONTEXT FOR PLANNING

- Statistics, trends, and other research data about the environment in which the organization operates (likely internal and external circumstances)
- Need to strengthen or add new current programs and services (constituent input is especially important)
- Advocating reallocation of limited resources by eliminating weak or tired programs and activities to help finance new and opportunistic ones



Common obstacle in planning: Conflict

When you bring a diverse group of people together to plan, there may be conflict. However, conflict in and of itself is not bad; in fact, it can foster critical, strategic thinking. The challenge is in managing conflict so it doesn't derail the meeting.

---

### PURPOSE, DIRECTION, AND PRINCIPLES

- Statement of mission and purposes (reaffirmation or revision)
- Staffing (current and projected needs)
- Board of directors (membership, size, method of selection, board member performance assessment, meetings, committee structure, and other bylaw provisions)
- Financial projections (income, expenses, reserves, new revenue streams)



Common obstacle in planning: Poor communication

To avoid a breakdown in communication and ensure that relevant parties are kept informed, it is advisable to implement a communications process that systematically manages the information flow.



Common obstacle in planning: Inability to reach consensus

Consensus is essential to strategic planning. Few things are more frustrating than thinking you reached a consensus only to discover soon after that the agreement has fallen apart. It is essential to confirm agreements at every critical juncture.



## THE CURRENT-YEAR PLAN

- Public education and relations strategies (How do we get our story out?)
- Fundraising goals and strategies that set the stage for subsequently framing an explicit case statement (a case for support from individuals and other funders)
- Membership development and retention strategies (if appropriate)



Common obstacle in planning: Missed deadlines

Continually missed deadlines are evidence that the priority for planning is low. Is there a legitimate explanation, or is there an organizational crisis? Does the timeline need to be revised? A planning process that is drawn out over too long a period loses momentum and commitment. You may need to get renewed commitment from key players.



Common obstacle in planning: Unequal participation

Participative planning assumes that all or most individuals in the organization contribute in one way or another. To address this issue, be certain that the right stakeholders are at each meeting and the facilitator is encouraging input from everyone there.

---

Sources: [Driving Strategic Planning](#), [10 Basic Responsibilities of Nonprofit Boards](#)



## **Case Study: Rio Grande Food Bank**

The Rio Grande Food Bank is dedicated to alleviating hunger and food insecurity in the Rio Grande service region of 1 million people. As such, the 12-member Board oversees distribution of food to 50 community pantries and has a balanced budget. Recently the board decided to revisit the Food Bank's strategic plan, which was last updated in 2010. The Board has the ability set-aside up to \$8,000 for strategic planning activity and is wondering if they should go on a retreat, hire a consultant, use the funds for printing the final plan, or use the funds in some other way.

Most of the Board knows that a strategic plan is needed but prefers that Food Bank staff take the lead in planning. The current Board Chair, Charles, is the Director of School Nutrition Services in a local school district and wants the Board to lead the process, but with staff support. He is passionate about good nutrition, quality food service, and innovative recipes. He believes that the Food Banks's strategic plan will help it become a premiere food bank by promoting food with high nutritional value, rather than just distributing any food (i.e. processed foods) to fill empty stomachs. Further, he wants to promote nutrition & cooking education and innovate methods for food access, such as client choice.

As the Director of Support Services at Rio Grande Food Bank, James knows there is need for an updated strategic plan, especially since it has been 10 years since the last plan. He is capable of providing staff support for the planning process and, if asked, could run the planning himself. James thinks that people need to eat and that processed food is okay; plus it can be cheaper so more people can eat. James is not open to any emphasis on fancy recipes, food choice, or nutrition education. He wants to see that people simply eat and are not hungry. Both Charles and James know that providing more fruits and vegetables promotes health, but it is more expensive. James is worried that Charles is pushing the Rio Grande Food Bank to be a 'fancy' place and rather than meeting the basic food needs of the hungry. Charles worries that James is stuck in an old model.





### **Core Values:**

As the strategic process begins, the board and staff reflect on the Food Bank's current values, which are: respect, integrity, collaboration, accountability, and excellence.

Some Board members see no need for values. Those Board members see values as only "words on the wall". But other Board members know that values can really come alive if specific tactics are used. For example, some Board members suggest: using the values in employee interviews and annual performance reviews; in the annual Board self-assessment; in food sourcing contacts; and in designing food distribution strategies.

Charles indicates that current values could describe any 'ol non-profit and he wants values that reflect the Rio Grande Food Bank. He suggests values like: compassion, health, and client choice. James, as an experienced staff member, is comfortable with the good 'ol values and sees no reason for change. After all, what is wrong with respect, integrity, and the like?

**Mission Statement:** The Bank's current mission statement is: "Feed every hungry person today, seed partnerships that build self-sufficiency for tomorrow, and lead to permanently end hunger in the region."

Board members know that reviewing a mission statement every few years is best practice. A few Board members think that values need to be established then a mission statement. Others see the mission statement as more of a public relations statement. Still others see it as a sacred statement by which all Food Bank activity should be measured.

**Vision Statement:** The current vision statement is: "A Rio Grande region where all people have access to food and never go hungry."

Charles wants to modify the vision to reflect his personal passion. He suggests something like: "A Rio Grande region where food is available to all, people eat nutritious food, and enjoy what they eat."

James likes a more inward facing vision. He prefers a change to, "The Rio Grande Food Bank will be the premier source of basic food for the hungry in the region."



Charles and James have come to you for advice. In your group, provide some insight into your assigned question:

1. What key challenges might be faced by Rio Grande Food Bank as they start strategic planning?
2. What could be some early steps the Board should consider as they start strategic planning? Should they use the \$8,000 to hire a consultant or just let James lead the effort?
3. How can Charles and James work together with these different views of the organization?
4. How can values really come to life in a non-profit like the Food Bank?
5. While a mission statement might be needed, do all non-profits really need a vision statement? If so, should it be a vision for the community they serve or a more inward facing statement about the organization itself?