Mission Drift and Strategic Planning

Alicia Schatteman, Associate Professor

October 10, 2018
Follow Me

www.nonprofitscholar.com
Facebook: Nonprofit News to Use
Twitter: @aschatteman
Blog: “Recovering Executive Director”
LinkedIn

Your Future, Our Focus
AGENDA

• Introductions
• Strategic plans versus strategic planning: why do it
• How do it
• What to watch out for
• Q&A
Exercise:

1. Write down the mission of your organization as you know it (without looking it up). Then try to find your official mission statement and write that down. Compare the two. How easy was it to find? Were you mostly correct? Did you find different mission statements? Where?

2. Introduce yourself, name, organization representing, results of your mission exercise
Your Future, Our Focus
I’m not afraid of storms, for I’m learning how to sail my ship.

— Louisa May Alcott
Nonprofit Sustainability = “the double bottom line”

Financial EFFICIENCY + Program EFFECTIVENESS

Money
• Are we managing our resources for maximum efficiency?
• Are we getting enough financial return/profitability to continue?
• How do we measure this?

Mission
• Are we meeting our program goals and objectives (inputs, outputs, outcomes)?
• Are we having an impact on our mission?
• How do we measure this?
Board Standards of Conduct

• **Duty of care**: board members act like any reasonable person in similar circumstances (diligent, attending meetings, understanding the issue before decisions)

• **Duty of loyalty**: act primarily in the interest of the organization not themselves

• **Duty of obedience**: act according to the law and in accordance of their mission
The Nonprofit Accountability Climate

- Government: more regulation
- Self-regulation: accountability clubs, standards and codes within the sector and within sub-sectors
- Public: call for transparency, accountability, effectiveness
- “Fuzzy” definitions of nonprofits; partnerships, contractual relationships, social-entrepreneurs, quasi-public, quasi-nonprofits
Types of Reporting

- **Mandatory**
  - IRS 990
  - Audited Financial Statements
  - Board Minutes

- **Voluntary**
  - Audited Financial Statements
  - Strategic Plans
  - Meetings
  - Budgets
  - Annual Report
  - Website
  - Ads

- **External**
  - Performance Data Reports

- **Internal**

*Your Future, Our Focus*
Where do you start?

• Where have we been?
• Where are we now?
• Where do we want to be?
• How do we get there?
Figure 1 Components of a Strategic Plan

Foundation
- Mission Statement

Supporting Components
- Values
- Institutional Goals
- Vision

Strategic Plan
- Goals and Objectives
- Implementation Plan
Before you start...

• Previous strategic planning efforts?
• Did you accomplish your strategic goals? Why or why not?
• What suggestions do you have for this process or implementation to improve?
CONTEXT
Start With Values


Your Future, Our Focus
Values Drives Mission and Vision

What we believe in: Values

What we want to be: Vision

Why we exist: Mission
Values

• What are those standards that we are going to hold ourselves accountable?
• What can the people we serve expect from interactions with the Museum, no matter what the circumstances?
• What sets us apart from others who do similar work?
• Can we live up to our values in everything we do?
Values

• Do you have a list of values or value statements?
• How well are they known and understood?
• Are they simply written down or are they lived every day in everything you do, why or why not?
• Where do your values appear?
• Who are the keepers of your values?
Mission States Focus on the Why

Why does your organization exist?

Your Future, Our Focus
Mission Test

- What do you like or not like about your current mission? Does it need any tweaking?

- **Does it meet the mission test?**
  - Expression of your values
  - Simple language (no jargon)
  - *Communicates the “why”, your uniqueness*
  - Is concise “breath test”
  - Single, powerful sentence
  - Sounds good when spoken out loud
  - Is memorable, interesting, exciting
  - Is the mission statement written from the organizations’ perspective (we will, we do, we provide) or from the stakeholder’s perspective (children/students/youth/seniors will).
Our Library mission is to actively participate in the development of a strong, literate and well-informed community...
Examples of Weak Missions

• To conserve, improve and protect natural resources and environment and to prevent, abate and control water, land and air pollution, in order to enhance the health, safety and welfare of people and their overall economic and social well-being.

• To collect, preserve, and interpret modern and contemporary art, and explore ideas across cultures through dynamic curatorial and educational initiatives and collaborations with its constellation of architecturally and culturally distinct museums, exhibitions, publications, and digital platforms to engage both local and global audiences.
Examples of Stronger Missions

- **March of Dimes**: We help moms have full-term pregnancies and research the problems that threaten the health of babies.

- **Make-A-Wish**: We grant the wishes of children with life-threatening medical conditions to enrich the human experience with hope, strength and joy.

- **Chicago Science and Industry Museum**: Inspiring the inventive genius in all of us.

- **Reading in Motion**: To get every at-risk student reading at or above grade level in the first years of school through the power and discipline of the arts.

*Your Future, Our Focus*
At St. Mary Catholic School in DeKalb, Illinois we reflect on the words of those much wiser than us and we strive to commit ourselves as a school community to be guided by their wisdom. Therefore, as our mission states it is our goal to provide an excellent education to each and every child... an education that forms the individual spiritually, intellectually, physically, psychologically, socially, and morally. And with the guidance of the Holy Spirit and hard work on the part of countless individuals, we are committed to achieving this goal.

St. Mary Catholic School empowers students to grow spiritually, achieve their academic potential and discover God’s plan.
If you can't explain it to a six year old, you don't understand it yourself.

Albert Einstein
Vision

• Do you have a vision for your organization?
• Is that vision shared by everyone in your organization?
• Do your external stakeholders understand and know that vision?
• Why or why not?
Stakeholder Analysis

- Who are your stakeholders?
STRATEGIC PLANNING
Strategic Planning vs. Strategic Plans

• Process to establish priorities on what you will accomplish in the future
• Forces you to make choices on what you will do and what you will not do
• Pulls the entire organization together around a single game plan for execution
• Broad outline on where resources will get allocated
SWOT ANALYSIS
Strength’s

- Strength’s – Those things that you do well, the high value or performance points
- Strengths can be tangible: Loyal customers, efficient distribution channels, very high quality products, excellent financial condition
- Strengths can be intangible: Good leadership, strategic insights, customer intelligence, solid reputation, high skilled workforce
- Often considered “Core Competencies” – Best leverage points for growth without draining your resources
Weaknesses

- Weaknesses – Those things that prevent you from doing what you really need to do
- Since weaknesses are internal, they are within your control
- Weaknesses include: Bad leadership, unskilled workforce, insufficient resources, poor product quality, slow distribution and delivery channels, outdated technologies, lack of planning, . . .
Opportunities

- Opportunities – Potential areas for growth and higher performance
- External in nature – marketplace, unhappy customers with competitor’s, better economic conditions, more open trading policies, . .
- Internal opportunities should be classified as Strength’s
- Timing may be important for capitalizing on opportunities
Threats/Challenges

• Threats – Challenges confronting the organization, external in nature
• Threats can take a wide range – bad press coverage, shifts in consumer behavior, substitute products, new regulations, . . .
• May be useful to classify or assign probabilities to threats
• The more accurate you are in identifying threats, the better position you are for dealing with the “sudden ripples” of change
ISSUE IDENTIFICATION
Operational vs Strategic Issues

- Is the issue a challenge or opportunity now (operational) or in two or more years from now (strategic)
- Will this issue have a broad impact on the organization (if yes, strategic)
- Will strategies for issue resolution likely require changes to mission, processes, service goals or programs, revenue sources or amounts, staff expansion or retraction, stakeholder relations, technology or future capacity (if yes, then strategic)
• What are the probably consequences of not addressing this issue (if major long term service disruption and large cost or implications to revenue, then strategic)

• How sensitive is the issue relative to community, social, political, religious and culture values? (if highly sensitive, then strategic)
Strategic Issues

• How does the confluence of factors (mission, mandates, and internal and external environmental aspects or SWOTs) make the issue strategic?
• What is the consequences of not addressing the issue?
• What does success look like?
Issues to Goals

• If we can agree on the main issues, then next is to come up with goals to address those issues
• This isn’t about coming up with action steps, don’t move ahead
Strategic Issue Evaluation: Criteria

**Directions:** Evaluate each issue based on the following criteria: 1 = meets the criteria, or 2 = does not meet the criteria.

**Criteria:**

- Alignment with mission and vision
- Mainly a strategic goal (versus operational). Operational goals are goals that would normally be carried out by staff within a regular year without requiring additional resources or prioritization of work plans. There is no absolute test to establish whether an issue is strategic or operational.
- Addresses a challenge or threat to the organization.
- Builds on a strength or opportunity of the organization.
- Timing to focus on this strategic goal is appropriate (3-5 years) to address now.
- Leadership to focus on this strategic goal by the Board/Council and Senior Staff.
Goals

- Describes a future end-state – desired outcome that is supportive of the mission and vision.
- Shapes the way ahead in actionable terms.
- Best applied where there are clear choices about the future.
- Puts strategic focus into the organization – specific ownership of the goal should be assigned to someone within the organization.
- May not work well where things are changing fast – goals tend to be long-term for environments that have limited choices about the future.
SMART Goals

• **Specific:** Goals should be simplistically written and clearly define what you are going to do. Specific is the What, Why, and How of the S.M.A.R.T. model.

• **Measurable:** Goals should be measurable so that you have tangible evidence that you have accomplished the goal. Usually, the entire goal statement is a measure for the project, but there are usually several short-term or smaller measurements built into the goal.
• **Achievable:** Goals should be achievable; they should stretch you slightly so you feel challenged, but defined well enough so that you can achieve them. You must possess the appropriate knowledge, skills, and abilities needed to achieve the goal.

• **Results-focused:** Goals should measure outcomes, not activities.
• **Time-bound:** Goals should be linked to a timeframe that creates a practical sense of urgency, or results in tension between the current reality and the vision of the goal. Without such tension, the goal is unlikely to produce a relevant outcome.
Strategic Goal Evaluation: Criteria

Directions: First, evaluate each strategic goal in relation to the 10 criteria below. Assign a 1 if it meets the criteria today, 2 if it could meet the criteria based on new policies, resource allocations, partnerships etc., 3 if it does not meet the criteria today or would not within the next three years. Next, total the score for each goal. The lowest scores indicate the best score.

10 Criteria to Evaluate Strategic Goal:
• Alignment with mission and vision
• Technical feasibility
• Technology requirements
• Staff competencies
• Budget implications
• Return on investment
• Long term and short term impacts
• Risk assessment (risk of doing or NOT doing)
• Timing
• Facility requirements
Logic Modeling

– Graphic displays of the program inputs, outputs, and various outcomes that also identify key contextual variables that constrain or mediate the ability of programs to achieve desired outcomes

– Can facilitate communication among stakeholders, and especially between evaluators and program staff

– Can be used to identify where feedback loops are needed to inform decisions about program resources and operations
MASTER OF PUBLIC ADMINISTRATION PROGRAM LOGIC MODEL

**INPUTS**
- Staff
- Faculty
- Library
- Writing Center
- Curriculum and materials
- Students
- Friends and Alumni

**ACTIVITIES**
- Recruitment
- Courses
- Professional development activities
- Internship
- Work experiences
- Capstone
- Mentoring Program

**OUTPUTS**
- # of applications by student type
- # of graduates by student type
- Retention/completion rate by student type
- # of students
- # of professional development activities
- Instructional delivery quality
- Satisfaction with curriculum

**SHORT-TERM OUTCOMES**
- Increase in leadership and management knowledge and skills
- Increase in knowledge of decision-making theory and skills
- Increase in ability to participate in the policy process
- Increase in ability to articulate and apply a public service perspective
- Increase in ability to communicate and interact with a diverse workforce and citizenry

**MED-TERM OUTCOMES**
- Graduates seek/retain positions of organization and community leadership
- Graduates build networks and collaborate to strengthen organizations and communities

**IMPACT**
- Graduates use knowledge and skills gained through the program to lead and strengthen organizations and communities while upholding the highest ethical standards

*Your Future, Our Focus*
Strategic Planning Framework

• Outlines short, medium and long term outcomes (expressed as a change in something)
• How will you measure and track?
• What is possible to measure and track over time?
• Who will be responsible for tracking your strategic goals and the outcomes?
• How will performance be reported, to whom and how frequently?
• What will you do with the feedback?
Goals to Objectives and Action Plans

• Need to convert goals to objectives and action plans
• Need to have a process to identify and fix problems that arise with implementation
Watch Out For

• Strategic planning is not “over”
• There will likely be changes
• Strategies may not be working because:
  – Insufficient resources devoted to implementation
  – Problems change
  – Interactions may produce unintended consequences
  – Political environment may shift
Announcing and Reporting on Your Progress

- Online Dashboards
- Board meetings
- Newsletters
- Website
- Emails
- Social media
Upcoming Workshops

- Fundraising Strategies for Nonprofit Staff and Board Members: November 28
Alicia Schatteman
Associate Professor
Center for Nonprofit and NGO Studies
Department of Public Administration
Northern Illinois University
DeKalb, Illinois
815-753-0942
aschatteman@niu.edu

www.nonprofitscholar.com