Step 1: Set Up for Success

FIRST STEPS	STRATEGIC ANALYSIS	SET YOUR COURSE
1. Set up for Success	4. Environmental Scan	9. Complete the Strategic Plan
2. Stakeholder Engagement	5. Theory of Change and Program Portfolio	10. Use Your Plan Successfully
3. Mission, Vision, Values	6. Business Model	
	7. Organization Capacity	
	8. Leadership	

Strategic planning is a good idea in theory, but it is only a good idea in practice if the right people in an organization believe it is a good idea and the organization is ready. The initial worksheets to be used in Step 1 specify prerequisites for successful planning, as well as potential pitfalls to avoid. Chief among the prerequisites is a true commitment to the planning process by the executive director and board leadership. In other words, regardless of how much an organization needs to do some strategic planning, a sole program manager or board member will not be able to initiate a planning process alone or see that it happens successfully.

This does not mean that a lone visionary on the staff or board has no opportunity to initiate a strategic planning process, but it does mean that such an individual must actively recruit support from leaders by identifying the potential benefits to the organization and helping them see the need for planning. For example, is the staff aware of all the big changes happening in the program environment? Does the board shy away from seeking community support for the organization because it's unclear how it should measure the success of its efforts? Has the organization grown or shrunk significantly over the past few years? If the answer to these kinds of questions is yes, and it has been some time since any structured strategic planning has been done, then a compelling case for doing strategic planning can be made to the organization's leadership. Similarly, an enthusiastic executive director working with staff and board members who are reluctant to commit their time, energy, or money

to strategic planning must look for ways to understand the organization's needs from their perspective.

Whoever initiates the strategic planning process must recognize that its success lies in building broad-based commitment, and this takes involvement from all parts of the organization. Therefore, the executive director and board president must be committed to planning, and must be willing to participate fully and invest the necessary organizational resources (time and money) to support the planning process. These two individuals, at a minimum, need to be clear on what they would like the planning process to accomplish, and they must assess the organization's readiness to conduct successful planning. If it makes sense to go forward, then proceed with forming a planning committee and get ready to succeed!

Identify Outcomes

Organizations considering a strategic planning process face one or more important decisions or choices, such as the following: What do we do about a potential loss in funding? Should we close down a program, change its focus, or explore a collaborative partnership? Should we buy a building or should we lease more space? Sometimes the need for a plan is more vague (we don't really know where we're going), and sometimes it is more concrete (our biggest funder is cutting its support next year). The reasons for planning—and the issues or choices that need to be addressed during the planning process—have a major impact on how to go about planning.

The questions highlighted in Worksheet 1.1 provide a framework for determining planning outcomes and issues. It is okay for the key issues and choices to be somewhat vague and/or overlapping; the planning process is designed to help bring clarity to the questions, as well as to create answers. If, however, the reasons for planning are not important ones, then the process will likely fizzle for lack of commitment. In that case, deciding not to plan, at least for now, is the right decision.

Once these issues and questions are drafted, make sure that strategic planning is the appropriate way to deal with them. A pressing need to address a cash shortfall may be very important, but it is immediate and does not have obvious strategic implications. Therefore, it is necessary to sort the issues into one of two categories. First, there are *strategic issues*, questions that have a longer-range focus (at least one to three years) and are fundamental issues regarding organizational ability to achieve its desired impact. The second category is *operational issues*, the questions that are shorter term (less than one year) in focus.

Why list nonstrategic issues at the beginning of a strategic planning process? The first reason is because some urgent, but operational, issues will be on planning committee members' minds. This provides a place to put these concerns. The second reason is that, when you step back, you may see strategic implications. For example: "Improve follow-through of the board on fundraising goals" is an operational issue,

but it begs a larger question, "Is board fundraising a viable long-term revenue strategy for us?"

→ SEE WORKSHEET 1.1 TO ASSIST WITH THIS STEP.

WORKSHEET 1.1	IDENTIFY PLANNING PROCESS ISSUES AND OUTCOMES

How to do this activity?	Use the Planning Process Issues and Outcomes worksheet to: • List your expectations—what success will look like at the completion of the planning process, and what you hope to accomplish • Identify the strategic (longer-term) questions that need to be addressed during the planning process • List any operational issues (shorter-term) • Clarify whether any issues are nonnegotiable
Why do this activity?	• You have to agree on ends (what you wish to accomplish during the planning process) before you can agree on means (how you will go about planning). • The planning process is one of identifying strategic questions and then gathering information to answer those questions. • This worksheet helps to sort out—and make explicit—the issues and outcomes that often are assumed to be clear in everyone's mind.
Who to involve in the process?	Strategic Planning Committee (plus other key board and staff members, if their input would be helpful)

Both strategic issues and operational issues are important and will need to be addressed by the organization. Separating them can help determine whether certain operational issues need to be addressed before serious attention can be paid to the strategic issues or whether they can be handled concurrently. Any crisis situation will have to be brought under control before a strategic planning process is initiated.

Finally, if certain decisions are not up for discussion, then those decisions should be explicitly taken off the table. These nonnegotiable issues may be program-oriented ("We are not going to expand our geographic boundaries") or business-oriented ("Any new program effort must generate revenue"). Articulating nonnegotiable issues up front will help avoid wasting people's time or setting them up for unrealistic expectations about what they can and cannot change.

In Worksheet 1.1, we provide space for potential strategic issues in each of the five core dimensions. Most issues fall under one of these headings, and the worksheet

provides a simple way to see whether you have identified all of the key issues you will want to address. The dimensions are as follows:

- *External environment.* What are the most important forces or changes in your environment to which your plan must respond?

- *Theory of change and program portfolio.* How well are you achieving your mission with your programs, and how could you have a greater impact?

- *Business model.* Are your operations financially viable, and how can you ensure the long-term financial stability and sustainability of your organization?

- *Organization capacity.* What would it take to maximize your organizational capabilities in terms of planning, human resources and leadership, organizational culture, and communication, and your technology and facilities infrastructure?

- *Leadership.* How well do your senior staff leaders and the board carry out their respective roles and work together?

Check Conditions for Success

In addition to committed leadership, several other important criteria should be considered in determining readiness:

1. Commitment, support, and involvement of top leadership, especially the executive director and board president

2. Commitment to clarifying the roles of all participants in the planning process, including clarity about who will have input into the plan and who will be the decision makers

3. Balanced mix of individuals on the planning committee, from big-picture visionaries to a detail-oriented thinkers group that is committed to full participation and is likely to be able to work well together (including the ability to disagree with each other)

4. Willingness to encourage participation of board, staff, and as appropriate, external stakeholders

5. Commitment of organizational resources to complete the planning process as designed (including time of staff and board members, money for consultants, and needed research)

6. Board and staff who understand the purpose of planning and are clear about the desired process outcomes and issues to be addressed

7. A willingness to question the status quo and look at new ways of doing things, along with a willingness to ask the hard questions and face difficult choices

8. No serious conflict exists between key players within the organization.

9. No high-impact decision (e.g., a major funding or policy decision) is about to be made by an external source that would dramatically change the course of the organization.

10. Organization is not in the middle of merger discussions.

11. Board and top management are willing to articulate constraints and non-negotiable issues up front.

12. Commitment to tying the strategic planning process to the organization's annual planning and budgeting process

These conditions for success are highlighted in Worksheet 1.2 and form the readiness assessment.[1]

→ **SEE WORKSHEET 1.2 TO ASSIST WITH THIS STEP.**

WORKSHEET 1.2	**SET YOUR PLANNING PROCESS UP FOR SUCCESS**
How to do this activity?	• Before embarking on a strategic planning process, make sure the conditions for successful planning are in place. Check yes or no in the conditions checklist. Explain any negative responses.
	• Decide whether to proceed with planning: go or no go. If significant barriers exist that might impede the process, deal with those barriers before continuing.
Why do this activity?	Helps you decide whether you are ready to embark on a planning process or whether strategic planning is the appropriate management tool to use
Who to involve in the process?	Executive director and board president (plus other key board and staff members, if their input would be helpful)

If some of the conditions for success are missing, then an in-depth strategic planning process may not be appropriate at this time. Even if an organization is halfway through the planning process before realizing that it wasn't ready to plan, it should stop and reassess how to proceed. Consider the following situations:

• "Fall is our busiest time of the year. We should wait until spring." This is easy: Wait.

• "We won't know what is going to happen to our most important funder [or competitor, constituency, customer base] until X happens next year." In this case, program planning for the coming year is appropriate, but a longer-range strategic plan will be difficult to create without serious work on contingency planning.

---

[1] Adapted from George Steiner, *Strategic Planning* (New York: Free Press, 1979), p. 290–293.

- "As a result of some initial planning discussions, we have initiated merger discussions with another organization." Here, the initial strategic planning process has already defined a possible fundamental strategy: merge. The organization should wait until the merger discussions are completed, and then the new entity's board and staff should engage in a joint effort.

If the lack of readiness has to do with a lack of commitment to planning, a lack of commitment to inclusiveness, or a lack of willingness to consider new possibilities, then the situation is more difficult. Sometimes it is possible to influence the strategic planning orientation of the individuals in question. However, sometimes it just doesn't make sense to conduct strategic planning until the players change. An executive director might wait until after the next board election, or a board might have to assess whether an executive director's lack of leadership in this area is enough of a problem to warrant finding a new executive director. In these situations, the readiness assessment is a judgment call, as is the decision about how to respond to a suspected lack of readiness.

If current problems might interfere with the ability of top leadership to focus on the future, then either delay the strategic planning process or abbreviate the planning process to allow some overall strategic thinking to take place that doesn't require in-depth data gathering or discussions at the present time. Alternately, two parallel planning processes could take place—one that addresses the immediate issues and one that focuses on the larger strategic issues. Top leadership must be involved with the strategic issues.

In most cases, though, the assessment serves as a guide to potential problems in the process, so they can be addressed or confirmed. By addressing readiness criteria, the strategic planning committee can focus attention on setting up the planning process to be successful.

Plan for Data Collection

If strategic planning is to achieve the strategic and organizational benefits we have discussed, then the process must be informed by relevant data—both objective facts as well as opinions from stakeholders. A stakeholder is anyone who cares about the organization, anyone who has an investment, a "stake," in the success of its mission. This encompasses those who must implement the strategic plan, those who benefit from its implementation, and those who could significantly help or hinder its implementation.

Part of the thoughtfulness and creativity of the strategic planning process can lie in identifying individuals and groups who traditionally might not be regarded as stakeholders and involving them in the process. This might include those who can contribute unique and valuable perspectives, as well as those who should be

included because of other substantive or political reasons. A truly inclusive process can achieve the following:

- Help build internal and external enthusiasm for and commitment to the organization and its strategies. Those who feel they have contributed to the planning process will feel invested in it and are more likely to take ownership of the organization's goals and efforts.

- Add objectivity to the process. Outsiders can identify jargon or ask critical questions about issues that insiders might assume to be common knowledge or may simply take for granted.

- Develop the foundation for future working relationships

- Establish a continuous exchange of information among staff, management, clients, and other key stakeholders

- Ensure an adequate depth and breadth of data from which to make informed decisions

These internal and external stakeholders will have different levels of participation and various roles in the planning process. It is especially important to be clear about which stakeholders are providing input and which are making decisions. Being asked an opinion is not the same as having a final say in related decisions, but stakeholders sometimes lose sight of that distinction. Leaders need to let participants who provide input know what was done with their information and the rationale for the decisions that were made.

The nature of stakeholders' participation will depend on several factors, such as an organization's size, culture and management style, range of constituents, breadth of services, and so on, but the following are some general understandings of specific stakeholders' roles in the strategic planning process.

Internal stakeholders include the board of directors, executive director and senior staff, other staff and volunteers, and advisory boards.

External stakeholders include people you serve, those with whom you partner, funders, and other people or organizations whose support is required to move the organization's vision forward. Identifying how and when to involve external stakeholders is an important activity when designing your planning process. External stakeholders have perspectives that inform your strategic decisions and can help build a closer relationship between key stakeholders and your organization. Most people are honored to be asked their opinion about your organization's future. Stakeholder Engagement is the focus of Step 2. At this stage of planning Data Collection, your task is simply to anticipate the ways you might involve stakeholders to incorporate what would be required to do so into your work plan.

→ SEE WORKSHEET 1.3 TO ASSIST WITH THIS STEP.

WORKSHEET 1.3	DEVELOP A PRELIMINARY PLAN FOR GATHERING INFORMATION

How to do this activity?	Using the strategic planning outcomes and issues identified in Worksheet 1.1, brainstorm a list of internal and external stakeholders from whom you wish to get input. After identifying all possible stakeholders, clarify what you wish to accomplish by involving each stakeholder group, as well as ideas for how to best involve them.
Why do this activity?	Although you won't actually do most of the information gathering until the Strategic Analysis section, developing an initial plan is important, because it helps define the scope and scale of the data collection process. Understanding the information needs, you are better able to design a successful strategic planning process.
Who to involve in the process?	The strategic planning committee identifies the internal and external stakeholders and suggests processes to get the information that is needed. After the initial brainstormed list of stakeholders is created, additional input into the data-gathering process sometimes is sought from board and staff members who are not on the committee.

Anticipating Other Needed Research

Most of the needed research will be conducted later, so a detailed assessment of research is not needed at this point. However, the team should identify whether any extraordinary research or engagement will require additional expense or special arrangements and can be factored into the workplan. Examples of significant efforts that may need advance planning include an extensive market study, an assessment of your fund development function, or a broad-based series of focus groups to gather input from external stakeholder groups.

It is helpful to gather any documents or other information that will provide needed background for the strategic planning committee all in one place. Examples of this type of information include mission-related documents, financial documents, organizational capacity documents, and leadership documents.

Mission-related documents include:

- Mission, vision, values statements
- Your current strategic plan
- Annual plans

- Program descriptions/workplans
- Needs assessments
- Client satisfaction surveys
- Previous evaluation designs and results
- Evidence of the organization's innovation or reputation in the field
- Other data on major developments in the field

Financial documents include:

- Fundraising plans and results
- Budgets
- Audits
- Recent financial reports

Organizational capacity documents include:

- Your organizational chart
- Internal newsletters or other communication vehicles
- Personnel policies
- Previous organizational effectiveness surveys and/or climate surveys (or other formal review of culture and staff satisfaction)
- Volunteer management plans
- Information technology plans

Leadership documents include:

- Information on senior team membership backgrounds
- Details on any existing leadership development activities
- Board development plans
- Board minutes
- Board roster and details on committee structure
- Previous board self-evaluations
- Your board manual

Design Your Strategic Planning Process

Whether you are working with a planning consultant to design your strategic planning process or are designing the process in-house, you will want to design a

planning process that meets your organization's specific needs. Consider previous strategic planning endeavors and what has worked or not worked. Our whole approach is participatory, thus we assume that a strategic planning committee will be formed. In addition to a committee, you should address the following process design choices:

- Who will lead the process?
- Who will be on the strategic planning committee?
- Who makes which decisions? That is, who will decide the strategic direction for the organization, and what degree of input will be sought from the board and staff?
- How intensive will the process be? Will it be abbreviated, moderate, or extensive?
- How will you involve external stakeholders?
- What will be the use and timing of retreats or other large group gatherings?
- Who will be the primary writer of the plan? This may occur with guidance from a consultant if necessary.
- Will you use a consultant? If so, how will you best use the consultant, and what are your expectations with regard to the consultant's role?
- How will board and staff be kept informed about the strategic planning discussions?

Who Will Lead the Process?

Usually, either the board president or the executive director led the strategic planning process, but sometimes a board member may be appointed chair of the planning committee, or a senior staff representative may hold the leadership.

Who Will Be on the Strategic Planning Committee?

An effective committee includes six to eight individuals. The committee can be larger if there is a need to include a broader representation of stakeholders. However, a committee that is too large—comprising more than 12 members—may make it more difficult to coordinate meetings and to have discussions. The committee should combine visionaries (people who see what the organization can be and can rally the organization around that vision) with action-oriented members (people who will ensure that the projected goals and tasks are realistic). It should comprise a diverse group of staff and board members who are committed to a vision for the common good, rather than just advocating for the particular population they represent. As a group, the committee should have informal power and the respect of the entire organization.

Use of Subcommittees and Task Forces

Research and initial analysis will be done outside of the meetings of the strategic planning committee. This work can be assigned to staff, or it can be a board–staff team. Another approach that is very valuable for a few major and complex decisions is to assign a task force to investigate and propose both alternative answers and, if they can, specific recommendations for the full strategic planning committee to consider.

Who Makes Which Decisions?

It is important to determine whether you will have a top-down or a bottom-up process. A top-down process assumes that those with the highest level of responsibility in an organization are in the best position to be big-picture thinkers and to plan what is best for the organization. This approach is more expedient and can be an appropriate exercise of leadership. The main drawback to this approach is that it often results in plans that do not have the understanding and support of line staff (those most directly involved in providing services to clients), and the plan may not prove feasible or in the best interests of the clients. A bottom-up planning process starts with input from individual staff members or departments, thereby addressing the need for staff input and investment. Such a process, however, can produce a patchwork plan that lacks coherence for the organization as a whole and results in an uncoordinated, possibly even wasteful, use of resources.

For most organizations, the best strategy seems to be a hybrid approach, one that strikes a balance between the need for decisive leadership and productive collaboration, featuring the open communication of a bottom-up planning process as well as the clear coordination of a top-down process. The net result is an effective combination of the best of both models of participation. The planning process described in this workbook is such a hybrid.

Regardless of the flow of decision making for the organization, the board in its governance role approves the final planning document.

Will You Hold Retreats and Large Group Gatherings?

Although they are not required, retreats and large group gatherings can play a seminal role in a successful strategic planning process. Retreats with board, staff, or both can be held (1) at the beginning of a process, to gather input and build interest; (2) toward the middle, when proposals have been formed, to discuss and debate emerging proposals; or (3) toward the end, to bring closure and help shift energy toward putting the plan into action. Gatherings that include external stakeholders along with internal stakeholders can be organized in many ways, over one or more days, to spur creative thinking, allow for structured discussion among a wide range of

constituencies, and help identify major issues and possible strategies. Because these events take advance planning, decide up front in what ways you will incorporate such events in developing the strategic planning schedule.

Who Will Be the Primary Writer of the Plan?

The primary writer of the plan should be the board or staff person who has the skill and time to do so. In certain circumstances, a consultant might assist in the writing of the plan, although this approach can be problematic if it results in staff and board members feeling that the plan is the consultant's alone and that they do not have ownership of the words and concepts.

Will You Use a Consultant?

Many organizations include an outside consultant in part or all of the planning process. An experienced strategic planning consultant can help you design the process, facilitate many discussions, serve as a project manager, and ensure that the written product meets your needs. On a more limited basis, consultants can facilitate retreats and meetings, serving as a neutral party so that good ideas do not get lost among the emotions or personalities of the participants. Organizations also look to consultants with specific expertise in the organization's field to assist with framing key issues and sometimes conducting necessary research.

When working with consultants, it is important to clearly define the scope of the project, identify the benefits expected for each party, and agree on responsibilities and mechanisms for accountability. The relationship must be one on which you can depend. Different situations allow for different ways to involve consultants.

When hiring consultants, consider the following tips:

- You may choose to use different consultants for different roles. For example, you may hire one consultant to facilitate the planning process and another to do some of the research.

- Interview at least two consultants. You will be able to explore different approaches to the project and may utilize the ideas of more than one consultant.

- For substantial projects, ask for references and a written price bid from each consultant interviewed.

- Agree on one person to whom the consultant will report. The process will get confusing if different people are asking for different things.

- Have a written memorandum of understanding or contract with the consultant, with payments based on the consultant's performance of agreed-upon tasks.

- Throughout the project, give the consultant feedback about his or her work.

- If the organization is working with other consultants, make sure the other consultants and the planning consultant are informed of each other's work and are coordinating efforts.

- Do not expect a consultant to make tough decisions or value-based choices for you. A consultant can help articulate alternative courses of action and the implications of various choices, but the organization's decision makers should make the important decisions.

- Agree in advance on how you will pay the consultant's fees, including any overruns.

How Will Board and Staff Be Kept Informed About Strategic Planning Discussions?

Thought should be put into deciding how the board and staff will be kept informed about discussions and decisions during the planning process. It is not advised to wait until the last minute or to keep everyone in the dark about the strategic decisions that are being made.

The initial leaders of the planning process can use Worksheet 1.4 to consider what the planning process might look like and the expected roles and authority of board, staff, external stakeholders, and consultants.

→ SEE WORKSHEET 1.4 TO ASSIST WITH THIS STEP.

WORKSHEET 1.4	CHOICES TO CONSIDER WHEN DEVELOPING A PLANNING WORKPLAN
How to do this activity?	Answer each of the questions on the worksheet, taking into consideration the thinking that went into the previous three worksheets. What planning processes will best help your organization achieve its planning outcomes, ensure a successful planning process, and involve appropriate stakeholders?
Why do this activity?	By designing a process that meets your specific organizational needs, you will be able to develop a plan for planning that can be successfully implemented.
Who to involve in the process?	The strategic planning committee—either on its own or with a consultant—answers the planning process questions. After a workplan is developed, the board of directors should approve it.

Write a Planning Workplan

The planning committee is now ready to finalize an overall workplan to manage the planning effort (this is the plan to plan). The workplan should outline the activities involved over the course of the entire planning process, the processes to be used for all activities (such as interviews and retreats), the people responsible for executing or overseeing those tasks, the desired outcomes, the resources required (e.g., time and money), and time frames. The more clarity you have with regard to what activities are needed, who is involved, who is responsible for overseeing and ensuring that an activity happens, the process you will use, by when it should be completed, and products to deliver, the more your planning process can be managed effectively and efficiently.

In the first appendix we provide sample workplans for three different levels of intensity in a strategic planning process: abbreviated, moderate and extensive. As noted earlier we believe meaningful planning can be done in a wide range of constraints – in these workplans we suggest the most important activities in each time frame.

Create an Organization Profile

An organization profile establishes the baseline—where you are starting. For members of the strategic planning committee who do not have a grasp of the complete organization, this profile is educational. For others, it provides a brief high-level summary of the outlines of your organization: key dates, top leadership, and important programs.

→ SEE WORKSHEET 1.5 TO ASSIST WITH THIS STEP.

WORKSHEET 1.5   ORGANIZATION PROFILE

Why do this activity?	To provide a snapshot baseline of where your organization is now as you plan for the future
How to do this activity?	Answer each of the questions on the worksheet, providing a thorough high-level summary of history, leadership, program, and funding model.
Who to involve in the process?	Executive director, share with strategic planning committee

CAUTIONS FOR FACILITATORS

Facilitators should be aware of and work to avoid the following pitfalls during the strategic planning process:

Step 1: Set up for Success

Going ahead when not ready. The readiness assessment is a critical step, so take these issues seriously or the likelihood of failure looms ahead.

Taking too little or too much time. Certainly, not giving enough time to planning is a problem, but many people hold an unconscious bias that more time equals more value. Time is not the same thing as attention. Be realistic about the quality of attention required from senior leaders for valuable planning to take place.

Find the right consultant. If you are using a consultant, or if you are the consultant, take care to ensure that there is a good match between the skills and consulting style offered and the organization's needs.

███ **WORKSHEET 1.1   Identify Planning Process Issues and Outcomes**

❏ What would success look like at the completion of the planning process? What does your organization wish to achieve from a planning process?

❏ What issues or choices do you think need to be addressed during the planning process?

❏ Are there any nonnegotiables that need to be articulated up front? Any constraints regarding the planning process?

What would success look like at the completion of the planning process? What do we wish to achieve from a planning process?

- *A plan that would enable us to communicate to our current and future supporters as well as to staff and board what we want to accomplish over the next three to five years*

- *Willingness to look at new and different ways of doing things*

- *Staff and board working together more effectively*

- *Greater board engagement*

- *We need a plan that carefully examines not only our programmatic goals but also what infrastructure is needed to be in place to support those goals.*

- *As part of our strategic planning process, we need to figure out how to better define what success is in our programs— moving beyond outputs (numbers of clients given advice or represented in court) to outcomes (either a win in their case, or did we prevent the eviction, or at least keep the family in their home for three extra months). We are facing a lot of pressure from funders (both government and foundations) to define what outcomes our services will result in and how we will predict and then measure whether we achieved the outcomes. Hopefully we can be better at defining outputs as part of our planning process, so that when funders ask about outcomes measurements, we can rely (easily and comfortably) on the strategic plan.*

Many of the strategic issues discussed during a strategic planning process address fall under these five categories:

1. *External Environment.* Are there some important forces or changes in our external environment to which our plan must respond? (Are there political, economic, social, demographic, technological, or legal forces that are significantly impacting our organization?)

2. *Mission.* Are we achieving our mission with our current portfolio of programs, and how could we have a greater impact?

3. *Business Model.* Are our operations financially viable, and how can we ensure the long-term financial stability and sustainability of our organization?

■ **WORKSHEET 1.1** *(continued)*

4. *Organizational Capacity.* What would it take to maximize our organizational capabilities in terms of our human resources, information systems, financial reporting, organizational structure, organization culture and communication, PR and marketing, program evaluation, planning, and our technology and facilities infrastructure?

5. *Leadership.* How well do our senior staff leaders and the board carry out their respective roles and work together? Are we paying sufficient attention to building an organization that promotes leadership?

What are the **specific strategic questions or choices** that our organization wants to address during the planning process?

Strategic (longer term) issues to be addressed—framed as a question:
How do we better serve the needs of residents who live in the southern corridor of our county? Currently, our two offices are located in the Northeast and Central regions of the county, which means that people who live in the southern parts of our county have limited help. In addition, we have started to receive requests for our services from individuals in neighboring Valley County. They report that the current legal aid program is not able to provide quality services. What should we do to ensure that residents in both counties receive the legal assistance they need?
What should be our future areas of law to focus on, and who should we serve? Should we only provide services in our current four program areas? Should we continue to offer limited legal assistance in the area of Consumer Issues? Are there other areas that we should focus our energies on, such as disability access, legal issues that face frail elders, helping military families, responding to disasters, immigration issues? Are we offering services in specific areas of law because of historical reasons (our attorneys are comfortable in those areas) or because those are the areas of law where the populations we are serving truly have the greatest need?
In order to achieve our mission, we offer services along a continuum of intensity and depth. At one end (the "light" touch) is the creation of informational materials for laypeople about legal topics that a legal aid program might make available online and in hard copy through the community. At the other end (the most intense services) is impact work—either class action litigation or legislative/policy work to change the laws. How much should we focus on either end of the continuum, and how much on all the work in between? Currently, we cover the full range of: advice and counsel, brief services, limited scope, full-scope representation, and impact work. In particular, how much of an advocacy role do we want CLAS to play, and how do we fund such activities?
How do we maximize the involvement of law firms in supporting us both financially and through the donation of volunteer attorneys to help in providing services to our clients? And, if we are able to access many of the private-sector resources in our community, we need to make sure we have sufficient volunteer management capacity.
Our reserves are slowly dwindling, and we have not been able to keep up with costs. How can we maximize the involvement of our board of directors in raising necessary resources to support our work, and what can we do to bring our costs in line with our resources while meeting increasing need for our services?
What do we do about the fact that our long-term executive director is planning to retire in the next few years?

WORKSHEET 1.1 *(continued)*

We have recently experienced a higher degree of attorney and other staff turnover than we have in the past. What can we do in the long term to retain qualified staff? How can we ensure that our staff and board reflect the populations that we serve?

Is our current infrastructure sufficient to provide sufficient support for our program activities? While our programming and budget has dramatically grown over the last few years, we tend to still operate in start-up mode in terms of our investment in core infrastructure—from IT to HR operations, etc.

What is our future revenue model (the mix of grants, private-sector funding, individuals, etc.)? When we started, 85 percent of our budget was from government sources, but now it is less than 40 percent.

Short-term focus: Are there some operational questions that need to be addressed in the near future? If yes, list below: (These issues are not necessarily linked to the longer-term issues above).

We currently have three vacancies on our board. We need to fill those positions. In addition, our board is not very involved these days; perhaps we need to do some training on roles and responsibilities. Also, greater board engagement is a huge issue. We currently don't have term limits but should consider implementing them, and some of our board seem to be disengaged—often attendance at board meetings and even getting quorum can be an issue. And given the revenue shifts over the last 15 years with decreasing government funding, our board needs to be more of a fundraising board, and that may need shifts in expectations, board culture, and skills.

Our Northeast office lease is up at the end of the year, and we need to decide whether to renew or find another location. Staff feels that our current office is too small and are advocating for a larger facility.

Attorneys are spending too much time doing administrative work; we need to hire at least one additional support staff in both offices.

We have had the same auditor doing our audit for the last 10 years, and we have been told that it may be a good idea to change auditors after such a long period. Should we seriously look at hiring another accounting firm?

None of our informational and reference materials are in languages other than English. Given the high percentage of our clients who speak Spanish, shouldn't we get all of our materials translated into Spanish?

We have seen an increase in staff complaints about their supervisors.

Are any issues nonnegotiable (not open for discussion)? Any constraints regarding the planning process that we need to address as part of our preplanning thinking?

A nonnegotiable is that we will not handle criminal cases. Also, we should probably not change our income eligibility levels.

Sample Worksheet for Case Study: County Legal Aid Society (CLAS)

❏ Are the conditions and criteria for successful planning in place at the current time? Can certain pitfalls be avoided?

❏ Is this the appropriate time for our organization to initiate a planning process? Yes or no? If no, where do we go from here?

	The Following Conditions for Successful Planning Are in Place:	Yes	No	Unsure or N/A
1	Commitment, support, and active involvement from top leadership, especially the executive director and board president	x		
2	Commitment to clarifying roles and expectations for all participants in the planning process, including clarifying who will have input into the plan and who will be the final decision makers	x		
3	Balanced mix of board and staff members on the Planning Committee—big-picture visionaries thinkers and detail-oriented thinkers—a group who is committed to participating fully, and is likely to be able to work together well (including the ability to disagree with each other)	x		
4	Willingness to encourage participation of board and staff and, as appropriate, external stakeholders	x		
5	Commitment of organizational resources to complete the planning process as designed, including time of staff and board members, money for consultants and needed research, etc.			*Need to find grant for consultant*
6	Board and staff understand the purpose of planning and have agreement regarding the desired outcomes of the process and the important issues to be addressed.			*Not sure board and staff are on same page*

(continued)

◼ **WORKSHEET 1.2** *(continued)*

7	A willingness to question the status quo, to look at new ways of doing things; a willingness to ask the hard questions and face difficult choices			*Some resistance to change*
8	No serious conflict between key players within the organization	*x*		
9	No high-impact decision (e.g., a major funding or policy change) is about to be made by an external source that would potentially and dramatically change the course of direction of the organization	*x*		
10	The organization is not in the middle of merger discussions	*x*		
11	Board and top management are willing to articulate constraints and nonnegotiable issues up front	*x*		
12	Intention to tie the strategic planning process to the organization's annual planning and budgeting process	*x*		

Other Issues/Concern That Would Influence the Success of the Planning Process

We have a lot on our plate, so we're concerned about how much time the planning process might take. Also, staff have questions about whether this is solely a board function and what role staff get to play (do they have a say?).

Based on your assessment, is this the appropriate time for our organization to initiate a planning process? Yes or No? If no, what steps need to be put in place to ensure a successful planning process—where do we go from here? Or, should the organization consider doing something other than a formal strategic planning process?

YES, it is the right time for us to do some planning, but we need to address some of the stated concerns.

WORKSHEET 1.3	Develop a Preliminary Plan for Gathering Information from Internal and External Sources

❏ Using the strategic issues you identified in Worksheet 1.1, start to develop a plan for gathering information from both internal and external sources so as to answer those questions and get greater buy-in and support for the planning process and your plan.

Data Collection from Internal Stakeholders—How Might We Engage the Board and Staff and Other Internal Stakeholders?

Internal Stakeholders	Outcome of Contact with Them? (Such as perceptions about the organization, specific answers to strategic questions, greater buy-in and support for SP decisions, etc.	How Best to Involve Them (Such as surveys, discussions at regularly scheduled meetings, retreats, in-depth program evaluation worksheets, etc.)	Timing—What might be the best point in the process to engage this stakeholder group? Any early outreach required?
Staff Do we want to engage: All of the staff Management team Some staff (specific) Volunteer staff Entire department/ program units	*Perceptions about the organization—yes* *Specific answers to strategic questions—yes* *Greater buy-in and support for strategic plan— definitely* *director of development and finance director should be on SP Committee.* *At least one department head should also be on the SP Committee and perhaps a junior attorney who can address some of the generational issues.*	*Surveys and meetings (small group and large, but not sure whether it's practical for all staff to come to a retreat that we want to hold sometime during the process—need to discuss pros and cons of such a large meeting)* *Departments need to do some program evaluation.*	*At our regular staff meeting, we should check in about staff's thoughts on strategic issues.* *We should start with an online survey about their perceptions of CLAS (SWOT analysis, visioning, etc.).* *Also, perhaps we should do some type of staff climate survey to find out how staff are feeling about supervision, benefits, organization culture, etc.*
Board of directors	*Perceptions about the organization—yes*	*We should start with an online survey about board members' perceptions of*	*As soon as possible—We need to make sure entire board is fully committed to*

	Specific answers to strategic questions—not sure degree of help *Greater buy-in and support for strategic plan—definitely*	*CLAS (SWOT analysis, visioning, etc.).*	*this process and understand what their expectations are.*
Others Do we want to engage others, such as advisory board members, former staff members, former board members, *etc.*?	*Definitely should involve advisory board members.*	*Could they help us better understand community needs? Should we involve them through an advisory board retreat, individual meetings, or phone calls?*	

Data Collection from External Stakeholders—How Might We Involve External Stakeholders?

External Stakeholder Group: (List specific names if possible)	Outcome of Contact with Them? Questions to answer? What information do we want to gather from this stakeholder? Is relationship building the primary reason to engage this stakeholder?	How Best to Involve Stakeholders (i.e., questionnaires, interviews [face-to-face or phone], focus groups, meetings, etc.)	Timing—What is the best point in the process to engage this stakeholder group? Any early outreach required?
Constituents/ Clients (current, past)	*Clients are our best source of information in terms of quality of work, timely assistance, and how helpful we have been.*	*Continue to do client satisfaction surveys* *Perhaps one or two focus groups?* *Not sure if we should survey past clients—perhaps focus group*	*Certainly before we set future priorities*
Institutional Funders	*Relationship building, but also some of the funders*	*Consultant to do phone calls*	*Early on in the process*

WORKSHEET 1.3 *(continued)*

(foundations, corporations, government agencies)	*have unique perceptions in terms of the external environment. Also, would like to know their perceptions of our organization.*		
Individual Donors	*Relationship building*	*Have development director identify key large and/or long-term donors and do one-on-one phone interviews. SP Committee members to make phone calls; could we do a focus group?*	*Once we have a general sense of our future priorities, find out how likely they are to support any future endeavors, especially changes in services or growing our program.*
Government Officials	*We only have two government grants, but relationship building is always important, and they might be helpful in terms of external environment funding.*	*Have members of the SP Committee or consultant do the phone interviews.*	
Partner Organizations	*We have a few projects that we partner with other organizations—it's important that we know how their experience has been working with us.*	*Hopefully consultant will make calls.*	*As part of the program evaluation section*
Others to Contact	*We should contact some of our current pro bono volunteers about their experience working with us.* *Speak with some other nonprofits in the community who also focus on poverty and serving low-income communities.*	*Have all current pro bono volunteers fill out a survey, and have our consultant make calls to a few current and past volunteers.* *Someone from SP Committee to speak with other nonprofits.*	*As part of the program evaluation section*

■ **WORKSHEET 1.3** *(continued)*

Which of the Following Documents Would Help Provide Important Background Information and/or Inform Our Strategic Issue Decisions? (*Check appropriate documents to assemble.*)

Program-Related Documents	**Organizational Capacity Documents**
• Mission, vision, values statements ✓ • Current strategic plan; annual plans ✓ • Program descriptions/workplans • Needs assessments ✓ • Client satisfaction surveys ✓ • Previous evaluation designs and results • Evidence of organization's innovation or reputation in the field • Other data on major developments in the field ✓	• Organizational chart ✓ • Internal newsletters or other communication vehicles • Personnel policies ✓ • Previous organizational effectiveness surveys and/or climate surveys (or other formal review of culture and staff satisfaction) ✓ • Volunteer management plan • Information technology plan • Previous strategic plans ✓
Financial-Related Documents	**Leadership Documents**
• Fundraising plans and results ✓ • Budgets ✓ • Audits ✓ • Recent financial reports ✓	• Senior team membership, background ✓ • Succession planning and leadership development documents • Board minutes ✓ • Board roster and committee structure ✓ • Previous board self-evaluations • Board manual

Other Data: Where else should we look outside of our organization for information about trends, competitors, innovative programming, etc.?

• *Foundation Center might have some information about legal aid grant making in our field and area.*

• *Charitynavigator and Guidestar have information on programs and finances of nonprofits, and may be able to shed light on neighboring counties' legal aid programs.*

• *Need to look at Legal Services Corporation's own strategic plan and its reports that document IOLTA (Interest on Lawyers' Trust Accounts) and other funding trends, as well as the range of services that IOLTA-funded programs offer.*

• *Census Bureau for number of people eligible to receive our services*

WORKSHEET 1.3 *(continued)*

- *Recently released State Bar reports on (a) impact of economic downturn on hiring of attorneys of color and (b) low-income populations' access to civil legal aid system*

- *National reports by both NLADA (National Legal Aid and Defenders Association), the American Bar Association (particularly their Center on Pro Bono), and the national Association of Pro Bono Counsel (APBCo) will have information about funding and innovative programming.*

Sample Worksheet for Case Study: County Legal Aid Society (CLAS)

> ### WORKSHEET 1.4   Choices to Consider When Developing a Planning Workplan
>
> ❏ What has been our previous experience with strategic planning?
>
> ❏ What are some of the choices we want to consider when designing our strategic planning process?
>
> ❏ Are there other considerations that need to be factored into the writing of the strategic planning workplan?

What has been our previous experience with strategic planning—what has worked or not worked in the past that might inform the design of our strategic planning process?

Last time we did strategic planning was six years ago; it was the first time we seriously did some planning, but it was facilitated internally and, as such, we didn't make the hard choices that we should have made. Also, because it was facilitated internally, it exacerbated some tensions between the board and staff in terms of who gets to make these hard decisions: the board had some questions about whether program priorities needed to be updated or reexamined, and the staff was reluctant to look at making any real changes. Staff was, and still is, resistant to change—a lot of staff have been here for a long time. This time we really need to hire a consultant who can help us look at our organization in depth and perhaps make the hard choices needed moving forward.

Some of the choices we want to consider when designing our strategic planning process:

- **Who will lead the process?** *Led by a consultant and the executive director and board member who is chair of SP Committee (need to decide how these co-lead roles will play out in real life)*

- **Membership of Strategic Planning Committee?** *Three members of the board (president, chair of SP Committee, and one other board member) and five members of the staff (executive director, finance director, development director, and attorney who has been on staff the longest and heads our Family Law Project, as well as a junior attorney because retention issues are very important)*

- **Who makes what decisions (who decides the strategic direction for the organization, and what degree of input is sought from the board and the staff?)** *Hopefully we can reach consensus (decisions everyone is willing to live with and support) and have broad engagement by board and staff. Board is the final decision maker and approves the plan, but it's important to have the total support and recommendations of senior staff.*

- **How extensive a planning process to have?** *Our workplan needs to ensure that we complete the process within four months.*

- **Will we involve external stakeholders in addition to internal (board and staff) stakeholders?** *Important to include external stakeholders, which is something we didn't do during the last process.*

- **Do we want to hold some retreats or other large group gatherings, and what might be the appropriate timing of these meetings? (Are there special events, preset meetings, or deadlines that we might want to keep in mind?)** *Before we start to write the plan, we need to schedule one all-day board/staff retreat, during which time we will make presentations in terms of priorities and get feedback*

and major discussions. We need to further discuss whether all staff should be invited to the retreat or only management team and program directors.

- **Who will be the primary writer of the plan (with guidance from a consultant if necessary)?** *Executive director with support of consultant*

- **Are we going to use a consultant and, if yes, how best to use a consultant (what are our expectations regarding the consultant's role)?** *We need major guidance as to how to efficiently do this process, and expect the consultant to both facilitate discussions, make recommendations about processes, and help us ask the hard questions.*

- **How will we keep the board and staff informed about the SP discussions and decisions?** *At monthly board and staff meetings, SP Committee reps should make reports.*

- **Are there other considerations for the SP process that need to be factored in when designing our workplan?** *We need to complete the process in time to fit in with our annual budget process.*

Sample Worksheet for Case Study: County Legal Aid Society (CLAS)

WORKSHEET 1.5 Create an Organization Profile

❏ Make sure you have an overview of your organization's profile including key programs.

Current Mission Statement:

Promote equal access to justice by providing counseling and legal representation for disenfranchised and low-income people in Central County

Then & Now:

- First Year of Operation (Date, Services and Numbers Served; number of staff): *1977: 35 clients served—housing and family law; 3 staff members*

- Current Operations (Date, Services and Numbers Served): *2014: 3,500 clients served*

Executive Director: *Jane Doe (cofounding executive director) [Jane Doe has been with us since our organization started, and became the sole executive director in 1980.]*

Number of Board Members: *12, but we currently have three vacancies*

Number of Staff (full time, part time, volunteers): *4 leadership/management team (all attorneys), 7 staff attorneys including 2 post-graduate Fellows, 9 other staff members, 11 law school interns, and 105 volunteer lawyers*

Current-Year Budget: *$2,200,000*

Current Programs:

- Housing: *CLAS work in this area includes helping individuals resolve landlord–tenant disputes, assisting renters who are facing eviction, and helping people maintain housing subsidies.*

- Public Benefits: *CLAS assists people to obtain and maintain government assistance, such as TANF (federal benefits for families), food assistance benefits, Social Security, General Assistance (GA), Supplemental Security Income (SSI), etc.*

- Health Care: *CLAS has always been committed to helping individuals access timely, affordable, and quality health care, as well as health coverage through government assistance programs.*

- Family Law/Domestic Violence: *CLAS assists victims of domestic violence by obtaining restraining orders, helping parents obtain and keep custody of their children, and assisting family members in obtaining guardianship for children without parents.*

Overview of Key Programs

Housing

- Short Description of Program: *Helping individuals resolve landlord–tenant disputes, assisting renters who are facing eviction, helping people maintain housing subsidies, and addressing substandard housing (slumlord landlords)*

- Program Budget: *$548,000*

■ **WORKSHEET 1.5** *(continued)*

- How Funded: *Community Foundation grant, County Government funds from federal Housing & Urban Development (HUD), restricted donations from individual donors, portion of IOLTA (State Bar) funding*
- Number Served: *1,016*
- # of Staff: *1 senior attorney, 3 staff attorneys, one paralegal, and 25 percent of the half-time Pro Bono Coordinator*

Public Benefits

- Short Description of Program: *CLAS assists people to obtain and maintain government assistance, such as Social Security, General Assistance (GA), Supplemental Security Income (SSI), etc.*
- Program Budget: *$365,000*
- How Funded: *Contract with the county to provide SSI services, portion of IOLTA (State Bar) funding, allocation of unrestricted donations and event proceeds*
- Number Served: *875*
- # of Staff: *1 senior attorney, one full-time staff attorney, and 50 percent of a staff attorney (shared with the health program), about 25 percent of a paralegal, and 25 percent of the half-time Pro Bono Coordinator*

Health Care

- Short Description of Program: *Help individuals access timely, affordable, and quality health care.*
- Program Budget: *$493,000*
- How Funded: *Foundation grants and some restricted donations from law firms and corportations*
- Number Served: *925*
- # of Staff: *1 senior attorney, one full-time staff attorney, and 50 percent of a staff attorney (shared with the benefits program), one full-time project coordinator, and 25 percent of the half-time Pro Bono Coordinator*

Family Law

- Short Description of Program: *CLAS assists victims of domestic violence by obtaining restraining orders, helping parents obtain and keep custody of their children, and assisting family members in obtaining guardianship for children without parents.*
- Program Budget: *$420,000*
- How Funded: *Federal Violence Against Women Act grant (in collaboration with local social services providers), foundation grants, and an allocation from unrestricted donations*
- Number Served: *731*
- # of Staff: *1 senior attorney, 1 staff attorney, 1 legal secretary, and 25 percent of the half-time Pro Bono Coordinator*

Advocacy

- Short Description of Program: *Working primarily in coalition with other legal aid programs across the state, we advocate to government officials regarding the impact of regulations—or lack of enforcement of—on vulnerable*

(continued)

populations. Although not a formal program, we advocate for systemic change in how vulnerable populations are treated by governmental agencies.

- Program Budget: *Not a formal program*

- How Funded: *Not funded*

- Number Served: *Unknown*

- # of Staff: *As needed*

Pro Bono

- Short Description of Program: *CLAS works with law firms and the University's Legal Aid Program to provide pro bono assistance to our clients, supplementing the work of our staff attorneys.*

- Program Budget: *Not a separate program; Pro Bono Coordinator position shared between all four program areas.*

- How Funded: *Written into a few of the foundation grants, and the rest is covered through an allocation of unrestricted donations.*

- Number Served: *Works with 105 volunteers each year; places approximately 75 pro bono cases for ongoing representation each year.*

- # of Staff: *1 half-time Pro Bono Coordinator (not an attorney)*