

**M**any nonprofits have become disillusioned with the strategic planning process because they could not implement their plan or were unable to see what difference the plan made to their operation. In other situations, the plan took so long to develop that it was already outdated before it was communicated to the organization.

With armies of strategic planners producing volumes of documents that are nicely formatted for board presentations, most of these plans are degenerating into SPOTS (Strategic Planning on Top Shelf). A *Fortune* magazine study found nine out of ten organizations fail to completely implement their strategic plan. What wasted resources and lost opportunities!

As part of the management team of a nonprofit organization, how precisely can you answer the following questions: How do your donors know that their investments are generating value? How do you know that all of your employees and volunteers are aware of and are aligned with your organization's strategic plan? How do board members know your organization is performing its mission as effectively and efficiently as possible?

If nonprofit management cannot answer these questions, then eventually stakeholders of the organization will become disillusioned, frustrated, and, in some cases, feel betrayed.

Following are six questions that need to be asked to determine

if your ministry has an effective strategic plan:

### 1. Is your mission statement clear?

All strategic plans need to start with a mission statement that is focused and easy to understand. If your mission statement doesn't inform, motivate, and communicate the strategic destination of the organization, it needs to be changed. A mission statement should include the organization's purpose for existing, the actions the ministry will engage in to achieve its purpose, and the organization's values that will guide its actions.

### 2. Who will be served?

It is critical that the board and the senior management team are in complete agreement in identifying whom the ministry will serve. Without this clear and common understanding, the strategic planning process will be a waste of time.

In strategy development, making choices about what not to do is as important as choices about what to do. Since a ministry cannot serve the needs of everyone, deciding who to serve is fundamental to developing a focused strategy.

### 3. What do the targeted recipients of your ministry want?

Once you have identified the targeted group of people your ministry will serve, you must determine which of their needs you want to satisfy. Ask, "What are the targeted ministry recipients looking for from our ministry

that will create value for them and accomplish our mission statement?" Examples could be fast service, high quality products, and customized training.

After identifying your customers' needs, the key focus of your strategic plan then becomes generating value through your internal services and processes for the targeted people you want to serve.

### 4. What services will deliver value?

With a focused picture in mind of your ministry's recipients and a clear understanding of what they value, now you seek to answer the next question. To satisfy the needs of the targeted recipients, at what internal services and processes must we excel to deliver value for them? Focus your staff and volunteers on providing exceptional service

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to satisfy the needs of your ministry's recipients. As Peter Drucker said, "Doing things right is not important. Doing the right things right is!"

### 5. How will staff and volunteers be equipped?

You have fixed the picture and identified the needs of the targeted recipients of your ministry. You have zeroed in on the crucial internal services and processes at which you need to excel to deliver value for this targeted group. Now you are ready for the next step, which is to identify what the organization must do to ensure that its staff and volunteers are supported and equipped to execute with excellence the critical internal services and

processes you have identified. These organizational needs could include specific training programs, technology enhancements, and changes in the work environment/culture.

## 6. What are the financial goals?

The last step in developing a strategic plan is to identify the financial resources needed to allow your organization to accomplish its plan. This is where you will want to formulate three- to five-year financial “stretch goals” that will challenge your ministry to analyze ways to generate additional financial resources. These financial

**“Reporting to stakeholders often does not reveal if mission objectives are being accomplished.”**

“stretch goals” should not be “business as usual,” but should motivate the management team to be more creative in how to finance the ministry’s strategic plans. These financial “stretch goals” should include not only revenue and cash flow projections, but should also include plans to improve operational efficiency and financial stability.

## Measuring strategic plans

You have developed a sound strategic plan and everyone is ready for the kick-off. Now what? Vince Lombardi is quoted as saying, “If you’re not keeping score, you’re only practicing.” This powerfully illustrates why every ministry should measure its accomplishments in implementing a strategic plan.

Too often, nonprofits report results in ways that don’t tell stakeholders in the ministry whether the mission is being

accomplished as was intended by the strategic plan. Is there a more comprehensive measure than just a few highlighted anecdotes, or something more substantive than program quotas? Just because the fiscal year ended without a deficit and revenue increased by 15%, does that translate into the strategic plan being accomplished?

A strategic plan and a “bucket of measures” analyzed separately from each other have limited value and will lead to misdirected management decisions and frustrated stakeholders. The strategic plan and the core measurement systems must be linked so that management can quickly identify how effectively they are accomplishing the strategic plan.

## Communicating strategic plans


How would your ministry’s results change if every employee and volunteer knew how the strategic plan and all of their daily activities were aligned with the achievement of the organization’s desired outcomes? What would it be like if your stakeholders had a clear picture of how the utilization of resources was contributing directly to accomplishing your mission statement?

*CFO* magazine published a study on how well employees knew the strategic plan of their organization. This study reported that only 5% of the workforce understood their company strategy. It also revealed that 86% of executive management teams spend less than one hour per month discussing strategy. We should then not be surprised to hear *Fortune* reporting that strategic plans have a 90% probability of failure. After all, how can people carry out a plan that has never been communicated to them or when they don’t fully understand what is expected of them?

There are two critical aspects for effective communication of a strategic plan within an organization. First, the employees must trust the organization’s leadership and, second, the employees must believe they are listened to as part of the development of the strategic plan.

## Valuing strategic plans

You need to know if you are using your resources in the best way possible to serve your customers with excellence. That’s *responsibility*. And you need to show stakeholders that their investments are making the kind of impact you said they would make. That’s *accountability*. And you need to have confidence that your organization can be freely opened up to the scrutiny of others. That’s *integrity*. The vital link that holds these management practices together will be your effective strategic planning process.

Well-prepared strategic plans by themselves will not guarantee that the organization will accomplish its mission, but a properly implemented strategic plan will produce value for the recipient of your ministry and promote operational efficiency and effectiveness. Meaningful strategic planning is not the answer for all organizational problems, but it will go a long way to bring your organizational vision to reality. 

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