

Build the Latest Trends into Your Planning

Is your planning responsive to important trends? To be sure it is, follow these six steps.

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- S**ome disturbing trends have emerged in the nonprofit sector over the past few years:
- Many boards had fewer active members last year than in 1985.
 - Nonprofits are generally serving more clients with a smaller staff.
 - Salaries have remained flat when adjusted for inflation.
 - Funded administrative expenses have been reduced.
 - Long-term planning has been difficult due to current funding instability.
 - Many nonprofits are unable to generate unrestricted fund balance for financial stability.

Unfortunately, many organizations have not recognized these changes and, subsequently, are ill-prepared to respond to them. As a result, they are in jeopardy of dramatic downsizing or even closing.

The trends cited above require nonprofit organizations to reassess their operating environment by evaluating the services they provide, the area they serve, and the competition. In the past, nonprofits were rarely concerned with competition. Today, however, more and more funding agencies use competitive Requests for Proposals (RFPs) to select their provider agencies. Many states, for example, use extensive prequalification processes to ensure that nonprofit providers are financially stable, provide quality services, and have strong management. Without the proper prequalification, nonprofits are at risk of losing out to a better-focused organization. By targeting all the above factors for regular evaluation, you can assure that your planning takes prevailing trends into account.

There are six factors to consider in your planning:

Factor 1: The Mission and Vision Statements

The first step is to update your mission statement (what your organization is doing now) and vision statement (what you hope to be doing five years from now). Developing these two statements will require discussions about where your organization started, where it is today, and where you are

going tomorrow. These organization-wide discussions should include both board and staff. The outcome should be a clear vision that all employees can understand and follow.

Factor 2: The Working Environment

The second step is to study your working environment. Identify past, present, and potential funding sources. Be sure to diversify your funding as much as possible. Don't put all your eggs in one or two baskets. Encourage staff suggestions for improving services. Then be sure to acknowledge (and if possible implement) these suggestions. Valuing staff input is an important part of attracting and retaining quality staff. Also be sure wages are structured to promote the goals and objectives of your organization's programs.

Factor 3: The Board

The third step is to ensure that board members actively participate in the organization's affairs. There are two ways all board members should participate: (1) They should provide leadership for policy making and strategic planning. (2) They should help the organization gain access to diverse funding sources, such as grants, corporate sponsors, in-kind donations, and the banking community. To ensure such involvement, persuade proactive individuals to join the board. Also, inspire present board members to provide their leadership, technical abilities, and networking contacts.

Factor 4: The Competition

The fourth step is to consider the feasibility of a merger or consolidation with a similar or competing organization. Potential benefits include diversified and expanded services, consolidated expenses and overhead, and a larger base of programs to absorb these costs.

Factor 5: The Community

The fifth step is to incorporate the cultural and racial diversity of the community you serve into your selection of staff and board members. By participating in the economic development and well-being of the community through this inclusion, your organization will promote a sense of team-building with your community as well as with the clients you serve.

Factor 6: The Future

Finally, your plan should contain financial projections for five years, including long-term and short-term goals for staff, programs, and funding. An integral aspect of the planning process is to generate assumptions about the future and to decide how your organization will prepare for and take advantage of them.

Make your final plan available to all staff members to ensure that they understand and agree with it. Schedule an annual review of the plan. Such a review will serve as a reminder to accomplish short-term goals and an opportunity to monitor (and revise if necessary) your long-term goals. Continuing to build emerging trends into your plan is the best blueprint for a successful future. ■

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