

Strategic Planning on a Budget



By Peter Smergut

Negotiating the complexities of a changing organization requires a tool that's practical and easily administered. The strategic planning process must provide a road map, but it shouldn't be so daunting that it's easier to circumvent the process than engage in it.

Nonprofit leaders often fret over the time frame for their plan. Should it be one year, three years, or five years? The answer is that time frames shouldn't hinder the process. Rather than having the process become intimidating and paralyzing, engage in a continuous planning process, turning to this model whenever faced with a critical issue. If you can't solve the problem using this process within a reasonable time frame, then you haven't set the stage properly for its solution.

Here are the critical components to a cost-effective strategic plan.

Be sure all participants have a passion for the organization's values.

1. Identify the biggest problem.

Focus on one priority at a time. What is most pressing? Get everyone on the same page. This synergy is critical given the time constraints faced by boards and staff. If the agenda is too complicated, inertia will determine the outcome. This initial step needs to create success and alignment.

2. Ask yourself what might occur if the problem is resolved and what might happen if the problem continues. Your answers will highlight the importance of the decisions you're making. If participants are convinced that the process will solve the problem, they're more likely to dig in and act with conviction. Remember that happy people live longer. Make the process fun.

3. Identify your organization's values. Make this a priority. Your values create your brand and provide direction. Your culture determines your integrity, and integrity facilitates the outcome. Be sure all participants have a passion for the organization's values.

4. Review your vision. How did you get here, and where might the organization be if everything you envisioned were realized? This vision should be the engine that inspires the organization. It is the existential void that is filled when the destination is reached. Don't become preoccupied with goals at this juncture. This is an opportunity to push the organization to another level. Many organizations skip this step and pursue "reasonable" objectives. This compromise won't create the tension necessary to propel the organization forward.

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How a New Strategic Plan Saved a Century-Old Nonprofit

Imagine a multi-million-dollar nonprofit organization that has worked successfully for nearly a century with funds from supporters around the world. Then imagine that organization facing the threat of losing its backing because of poor management. Compound that with donor criticism that affects the organization's public image and you've got a disaster in the making.

That's what happened at Jewish National Fund (JNF), an environmental organization and the largest landowner in Israel. JNF purchased land in Israel and planted over 240 million trees, making Israel the only country on earth to end the 20th century with more forested land than when it started. This is but one of the organization's impressive accomplishments.

But what JNF didn't have was a central management structure; there was no one to look at the larger picture and evaluate overall success. And when things started going wrong at the regional level, there was no one to set things straight and be accountable to the donors. Suddenly JNF had an image problem, as thousands of people were losing confidence in JNF's ability to deliver on its mission. There was widespread criticism that JNF, representing one of the largest Jewish constituencies in the world, was not allocating enough of the money raised to projects in Israel.

Faced with the threat of losing donors of all giving levels, JNF was forced make major management changes. Its staff and board members worked with a facilitator to develop a long-term strategic plan that focused on the future of JNF in America. This plan determined the steps needed to fulfill JNF's mission and connect Jews around the world to the land of Israel.

The plan targeted five key areas. First, JNF established an endowment fund that helped the organization

plan in a businesslike manner. Second, it developed an annual major gifts campaign to attract large donations. Third, it decided to enhance its role in Jewish education about Israel and Zionism to people of all ages. Fourth, it focused on recruiting and training lay leaders. Fifth, it developed a marketing strategy based on its history of accomplishment.

JNF took a number of positive steps that ultimately turned the organization around, improved efficiency, decreased costs, and increased fundraising in support of its mission. Today, JNF has a business management structure with top professionals and committed lay leaders who, together, are responsible for fundraising and oversight. Recognition of donors has been refined to instill pride in every donor to the organization, from an \$18 tree buyer to the million-dollar philanthropist. The changes were almost immediate and offer a model for other nonprofit organizations.

Today JNF is one of few Jewish organizations to meet Better Business Bureau standards. Its fundraising revenue has steadily increased with each fiscal year. JNF has taken adversity and turned it to advantage, transforming a century-young organization into an efficient fundraising mechanism and reinforcing its role of connecting American Jews to the land of Israel.

For more information, contact Russell F. Robinson, Chief Executive Officer, Jewish National Fund, 42 E. 69th Street, New York, NY 10021.



5. Consider how your vision benefits your primary stakeholders. Categorize stakeholders by level of importance. This review needn't be a drawn-out process. If you have to dig too deeply to identify a group of stakeholders, they're probably not worth the effort and resources you're expending on them. If there's no discernable benefit to your stakeholders, review your vision and assumptions.

6. Explore the impediments to implementing your plan. What issues restrict your ability to move forward? What barriers block the organization's ability to effect change? What low-hanging fruit can you easily harvest? Focusing on this area is an excellent way to demonstrate commitment without the cost of a major initiative. It creates an immediate sense of change and offers instant gratification to your team. Be bold. Remember that if you're too careful, nothing good or bad will ever happen to you.

“Additional problems are the offspring of poor solutions.”

7. Examine your key indicators. How do you know you're on the right path? What benchmarks provide the necessary feedback? If you don't clearly identify these indicators, the organization will lack direction and may never solve the problem at hand. As Mark Twain said, “Additional problems are the offspring of poor solutions.” Be close to the action, and gather salient information regarding the problem so that you can implement pro-active rather than reactive solutions.

8. Analyze your organization's strengths, weaknesses, opportunities, and threats. Take a sincere look at your organization, and come up with a self-assessment that allows you to move on. You'll undoubtedly find considerable consensus among your planning team. People know in their hearts what's good and bad about their organization.

9. Create opportunities for your organization to reach the key indicators. Be clear about how you plan to manage your people resources and other assets. When you find a gap between current performance and your vision, make a plan to close that gap, and get everyone involved in designing and implementing the plan. Be transparent about the steps necessary to reach the destination.

10. Just do it. Don't put the plan on the shelf. This is your best thinking on the issue. Challenge yourself to implement the plan and manage the risk. All too often plans are an exercise in demonstrating that we're thinking about the problem rather than an opportunity to do something about it. ■

Resources

- Brinckerhoff, Peter, “How to Stretch Your Organization,” *Nonprofit World*, Vol. 21, No. 6.
- Jenson, Donna, “Sharing the Vision: Every Leader's Obligation,” *Nonprofit World*, Vol. 8, No. 5.
- King, Karen, “How Are Nonprofits Using Strategic Planning?,” *Nonprofit World*, Vol. 16, No. 5.
- O'Neil, Michael, “Build the Latest Trends into Your Planning,” *Nonprofit World*, Vol. 17, No. 6.
- Rosenberg, DeAnne, “Eliminating Resistance to Change: The Magic Formula,” *Nonprofit World*, Vol. 10, No. 5.

*These resources are available at www.snpo.org/members. Also see Learning Institute programs on-line: *Strategic Planning* (www.snpo.org/li).*

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