



Center for World-Changing Organizations

Strengthening organizations that make the world better

#2 In Our Guides & Workbooks Series

Strategic Planning Workbook

How to Design More Effective Strategies
To Deliver On and Support Your Mission



By Jonathan Reed, PhD

We specialize in helping organizations that make a difference in the world:

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- *Increase revenues and funding*—through *strategic marketing* designed for their unique financial challenges.
- *Create great places to work*—through *organizational development* tailored to their values-driven missions and unconventional staff.

We've written *eight leadership guides* on these subjects, which you can download at www.wcorgs.com. They describe how we adapt *corporate* planning, marketing, and organizational development to meet the challenges these organizations face.

Our clients include local-to-global nonprofits, government agencies, and companies in the U.S. and abroad. As subject-matter experts with extensive consulting experience, we offer high return-on-investment consulting, training, and other services.

JONATHAN REED, PH.D., the Center's founder, has an unusual background for a management consultant. He received his doctorate in the biological sciences at the University of Wisconsin—Madison, where he subsequently served as Lecturer and Honorary Fellow. His research took him far afield: 500 miles north of the Arctic Circle, four field seasons in Kauai, Hawaii, and to Panama as a Smithsonian Tropical Research Fellow.

He then founded The University Group in 1988, a private consulting firm representing 65 leading faculty at UW—Madison. It transferred the latest advances in management and technology from universities to corporations such as General Electric and Johnson Controls.

When clients began asking for his advice, he found he preferred consulting to trying to manage professors. So he started consulting for corporations, nonprofits, and government agencies on his own. One of his projects received a National Quality Award.

He has co-authored *A Systems Handbook: An Introduction to the Systems Age for GE Medical Systems*, consulted for federal Science Centers for seven consecutive years, and helped lead the Conservation Science Division of The Nature Conservancy.

He served as a consultant to the U.S. Agency for International Development in Afghanistan and the former Soviet Union Republic of Georgia, and the Inter-American Development Bank in Trinidad and Tobago. He also has taught mindfulness meditation at maximum-security prisons.

To see the results his clients achieved and read their testimonials, see the Experience section of our website.



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#2 Strategic Planning Workbook

How to Design More Effective Strategies To Deliver On and Support Your Mission

This workbook describes our step-by-step process to use the planning model in our *Strategic Planning Guide*. It is the second in our *Guides and Workbooks Series* listed on the back cover to help you build a more successful organization. See endnote for permission to use them.¹

Our Theory of Planning and Advice to Planners

Focus on success. Focus on what can make your organization more successful at delivering on and supporting its mission.

Do the right things. Consider if you're *doing the right things* to succeed (what you do) before analyzing if you're *doing things right* (how you do them).

Concentrate on strategies. Strategic planning is about improving or changing strategies. Know what yours are, how successful they are, and which to improve or change.

Incorporate strategic marketing and branding. It planners to understand better those who determine their organization's success and design better strategies to serve them.

Visually display what you do. Portray graphically how your organization functions through its strategies—and what supports, produces, and drives your success.

Planning horizon. It is usually 3-5 years—shorter for rapidly evolving organizations.

Divide and conquer. Speed up your planning process by splitting your team into small groups to evaluate conditions that support success and the strategies that produce it. Invite content experts to join them.

Build on each step. Each planning step should be based on the ones preceding it.

Share your findings and progress. At key points in the planning process, let the rest of the organization know what you're up to and solicit their feedback.

Time is fleeting. Planning meetings are precious times. Research key topics between them and report your findings at them. Conduct critical work in meetings: probe what makes your organization successful and what's holding it back. Make decisions and design strategy. Keep brainstorming, list making, and tangential exercises to a minimum—or, better, skip them.

Enthusiasm wanes quickly. Planners lose momentum and fatigue quickly from most planning exercises, brainstorming, not knowing the point of what they're doing, boring meetings, and doing anything that doesn't make their organization more successful.

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STEP 1. PLANNING TO PLAN

Some more advice for leaders and planning teams

Learn about strategic planning. Team members should understand the ideas behind and steps of this planning model before they start planning. They also should at least skim our guides on guiding statements and branding. These guides, as well as the best books on strategic planning (which have asterisks before them), are cited in the Bibliography of our *Strategic Planning Guide*.

Plan on surveying your staff and key outside groups as soon as your team defines what “success” means for your organization and determines the best ways to measure it. We recommend hiring your consultant or an outside to conduct your surveys: it’s one of the best investments you can make.

Concentrate on what supports, produces, and drives success. Team meetings should generate strategic insights about who your organization is, who and what determines its success, and what it needs to do better or different to be more successful. Smaller groups and sometimes individuals should investigate critical subjects and report their findings to the team.



The team should base its decisions and strategies on the *research and findings of small groups* of its members instead of team members’ *opinions* solicited during endless rounds of brainstorming. Though brainstorming has its place in planning, it shouldn’t be the primary source of “data” to base decisions and formulate strategy.

Share the team’s ideas and findings with the organization at key junctures in the planning process. After completing key planning steps, the team should share its progress with and request comments from at least key individuals—or better everyone—in your organization. Doing so improves the plan, fosters shared ownership of it, and paves the way for smooth implementation.

Form smaller groups to carry out specific planning tasks. Split your planning team into groups to conduct specific planning duties. Consider recruiting content experts who aren’t on the team to help these groups. If your team is made up of your guiding members and employees, pair them up in the smaller groups. Working across organizational lines affords different perspectives and strengthens relationships among board and staff.

Planning team activities. The figure of the flowchart of the team’s activities is on page 5. It illustrates how the team splits into smaller groups at the beginning of Steps 3 and 4, then reconvenes afterward so groups can present their findings and recommendations to the whole team. We recommend groups evaluate two or three conditions that support success in Step 3 rather than the entire team mulling over all six conditions at once.

Small groups often generate a wider range of viewpoints than a large group because, among other things, quieter members feel more comfortable contributing in smaller settings. This divide-and-conquer approach significantly speeds up the planning process.

1A. Assemble your planning team

As noted on page 6 of our *Planning Guide*, the guiding members of your organization—its leader and board members, or their equivalent—are responsible for and often participate in strategic planning. Sometimes division or department heads are invited to serve on the planning team. Occasionally staff is included. But planning team members can come from all ranks of your organization.



The advantages of a diverse planning team are a broad perspective on strategic issues and an accurate picture of what's happening inside the institution. The team's most valuable members are its *strategic thinkers*, regardless of title or rank.

1B. Setting planning goals and timetable, and review your planning process

To ensure your planning team conforms to the expectations of your guiding members, the organization's leader and board chair often draft the planning goals and timeline. If so, the team should review them before the guiding members approve them. Alternatively, the planning team can determine them. Team members should also review the planning process they'll use to ensure they understand it and tailor it to their organization's needs and circumstances.

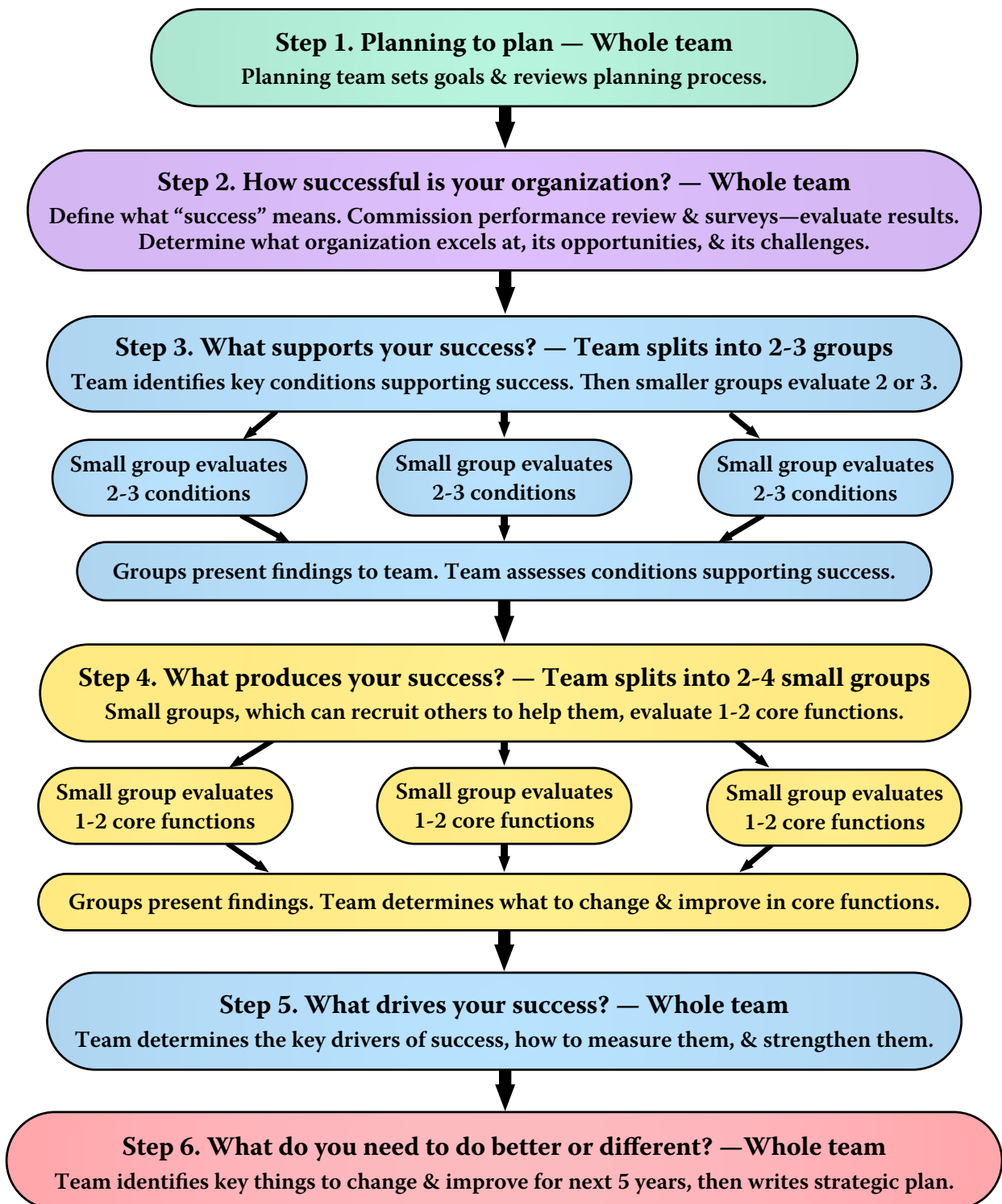


Fig. 1. Flowchart of planning team’s activities

STEP 2. HOW SUCCESSFUL IS YOUR ORGANIZATION?

Before your team begins this step, review what success at delivering on and supporting your mission means on pages 11 to 13 of our *Planning Guide*.

2A. Define what “success” means for your organization

Defining what success means to your organization is crucial to using this planning model. If you don’t know what you’re aiming for, you can’t get better at hitting your target. We encourage your team to define the *essence* of your organization’s success by its *results and impact*—rather than what it acquires to produce them, such as obtaining funding.

Once it defines success, the team should determine the best way to measure it. If its definition of success is broad and seemingly unmeasurable, decide what *indicators of success* can measure it indirectly.

This model depends on identifying and improving what *drives* your success. If you can’t define and measure success, you’ll have a difficult time improving what drives it.



2B. Commission internal and external surveys

Once your team defines and determines the best way to measure success, it should commission an *internal survey* of your staff and guiding members. It should also authorize an *external survey* of the outside groups that determine your organization’s success. Make sure they address the six conditions for success in Step 3.

We use the term “commission” to mean hiring your consultant or an outside firm to conduct your survey and analyze its results. A “survey” solicits the opinions or experiences of a group of people through a variety of means including online or printed questionnaires and personal interviews. Online and printed “questionnaires” consist of a series of questions with various ways to answer them, including multiple-choice and narrative answers. Personal “interviews,” often comprised of open-ended questions, are another way to survey individuals or small groups.

One of the best investments you can make is to commission a survey of the groups who determine your success. For a nonprofit, they’re likely its clients, funders, and supporters. At a minimum, you’ll want to know their satisfaction with and perceptions of your organization and what it offers. Your external survey should reveal:

1. Their perceptions of your organization (your brand).
2. Their level of satisfaction with what you provide.
3. What your audiences consider the critical attributes of your organization and what it offers.
4. What you need to do better or different to exceed their expectations.
5. How they think you stack up against your competitors or others in your field.

This is crucial information for your organization. Few surveys, though, probe #4: what attributes play the biggest role in determining your audiences' satisfaction and perceptions. Enhancing these attributes is the surest way to exceed your audiences' expectations.

Survey results are leading indicators of performance

The results of an external survey are *leading* instead of *lagging indicators of performance*. They predict audiences' future behavior based on their current satisfaction with and perceptions of your organization and what it offers. In this sense, your survey results are a preview of coming attractions. Unfortunately, many organizations rely on *lagging indicators*, such as last year's sales and funding, to predict what will happen in this year.

Different types of surveys

The best surveys include both a questionnaire and interviews. The benefit of online or hardcopy questionnaires is you can send them to a large and randomly selected sample of, say, your clients—and extrapolate the results to all clients. Their disadvantage is that you can't ask follow-up questions about the subjects that respondents are most interested in.

Personal interviews are the opposite: they provide comprehensive information from a small number of people on a few topics. Thus, they don't necessarily reflect the sentiments of the group they represent.

We've found *comprehensive surveys*—a combination of online or printed questionnaires with follow-up interviews about key subjects—yield the most valuable insights. There are different advantages to conducting the interviews or questionnaires first. Whichever you do first, you can delve deep into the key issues raised it with the second one. We usually prefer to administer questionnaires first. What we call an *external survey* is called a *customer survey* in the private sector.

Advantages of hiring your consultant or an outside firm to conduct your surveys

We strongly encourage you to retain your consultant or an outside firm to conduct confidential internal and external surveys through questionnaires and interviews. If you choose to administer them yourself, respondents might tell you what you want to hear. Then you would run the risk of basing at least part of your plan on their rosy responses.

One advantage of hiring your consultant or an outside firm to design and conduct your external survey is their experience in designing them for organizations like yours. Another is to ensure respondents that their responses are confidential, which encourages candid answers. Other benefits include their expertise in survey data analysis and producing professional survey reports.

And now for a bit of shameless self-promotion: We use a mix of ratings (like the 5-point, strongly agree → strongly disagree Likert psychometric scale), open-ended narrative, and ranking questions in both our internal and audience surveys. We design and administer surveys, analyze their results, and produce professional survey reports. Alternatively, we can develop custom surveys for you and recommend web-based survey firms to administer them and summarize the results.

If you choose to survey your audiences yourself, we encourage you to assign an internal team to do so. At a minimum, it should query key staff members about what they think your audiences think of your organization and what it offers. Regardless of who administers your surveys, pay close attention to your audiences' needs that you're in a unique or best position to fulfill compared to your competitors or other organizations in your field.

2C. Conduct a performance review

We also encourage you to conduct a ***three-to-five-year performance review*** based on how you define success. Your team members or staff who aren't on the planning team could do it. To add an outside perspective, you might ask your consultant to help with it.

Concentrate on your broad performance measures. We often help our clients create a one-to-two-page performance review report comprised mostly of charts and graphs. By merely glancing at it, like a dashboard, you can see how well your organization is doing. We include a one-page performance review that we developed for a client on page 27 of the Appendix.

2D. Identify your organization's key strategic issues and opportunities

The planning team should identify most of your organization's strategic challenges and opportunities in the course of this planning process. But in case a few slipped through the cracks, identify them now. Make a note of them, perhaps in a planning log that one of your team members keeps. You'll check back on this list as you begin Step 6.

2E. Share your findings with your organization

As stated in our Theory of Planning and Advice to Planners on page 1 of this workbook, share what you're doing, learned, and planning with everyone in your organization at critical junctures in the planning process. Once your survey results are complete, share them with your organization.

Before we describe the next three steps on what supports, produces, and drives your success, we'd like to reacquaint you with our success map of an organization, which we introduced in our planning guide.

It shows how the topics of these three steps are connected and provides a template for your organization's success map.

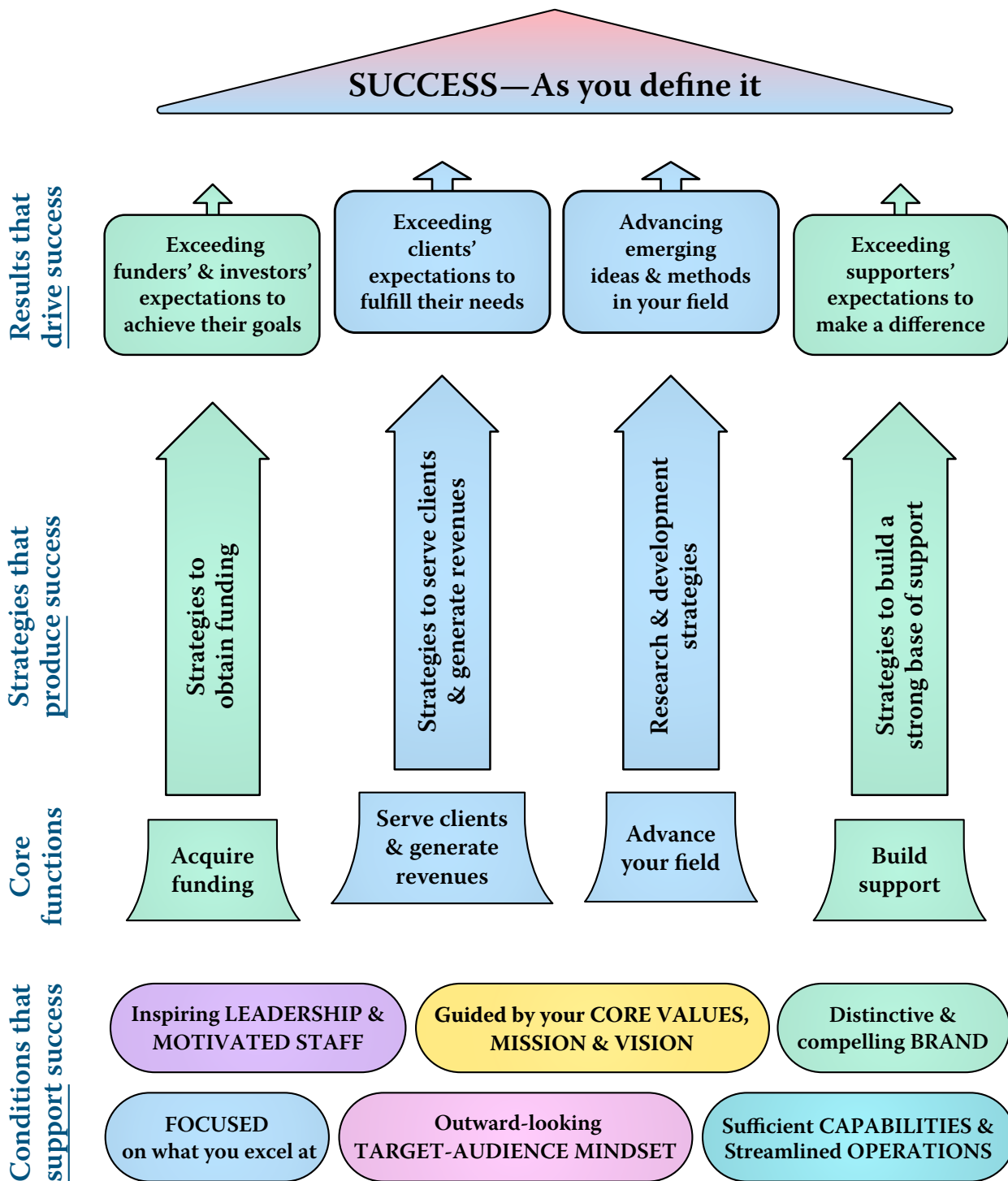


Fig. 2. Organizational map for how success arises in a world-changing organization

STEP 3. WHAT CONDITIONS SUPPORT YOUR SUCCESS?

As we noted in our planning guide, we believe six conditions support the success of most organizations. Though they don't directly produce success, a weakness in any them can hinder it. Different conditions might support success in your organization. The whole planning team begins this step by considering if these six, or any other ones, support their organization's success.

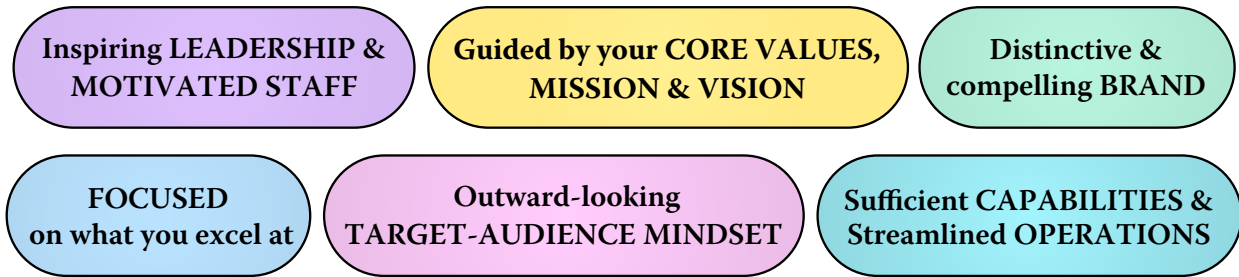


Fig. 3. Conditions that support success

Next, the team divides into three or so small groups. Each evaluates two or three conditions. When the groups finish, they present their finding to the planning team. If a group discovers a significant problem with a condition, it should recommend a way to fix it to the planning team.

Once the groups present their findings, the team considers the strategic implications of what they just learned—and whether any issues might be significant enough to address in the strategic plan. The team should record less serious problems in the plan's appendix as topics for annual work plans. The team will revisit these findings and recommendations in Step 6, the final step of this planning process.

3A. Identify the conditions that support your success

The team begins this step by identifying the conditions that support their organization's success. It should start by considering the six listed above. If any of them don't support the organization's success, the smaller groups won't evaluate it. Next, it considers if other factors support success. If so, add them to the list of conditions that support success and assign them to small groups to evaluate.

3B. Split into small groups—each evaluates 2-3 conditions of success

The team should split into two or three smaller groups, each of which will evaluate several conditions for success. Assign people who normally work together to different groups. When possible, assign a condition to the small group that is most familiar with it.

How groups evaluate conditions will vary. If the organization commissioned internal and external surveys, their results would help groups evaluate the conditions covered in the surveys. For example, a group assigned to evaluate leadership and morale would likely use the results of the internal survey. Conversely, a group assigned to evaluate the organization's guiding statements might conclude on its own that they're too general to be of much use, so it undertakes the important task of revising them.

Groups present their findings and recommendations to the planning team. Groups present their findings on the conditions they evaluate to the team. If in the course of evaluating a condition, the group discovers a problem that the unit responsible for it could easily fix, it should tell the unit about it. Don't clog up your strategic plan with a laundry list of issues with easy fixes.

But if a group discovers a serious or systemic problem, it should report this finding to the planning team and recommend ways to correct it. It's the team's responsibility to decide which problems are significant enough to address the plan and which they should relegate to the appendix for topics of annual work plans.

For a serious or systemic problem, draft an outline of the problem and how to fix it. We advise small groups to capture their ideas about these issues, which they might address in the strategic plan, and how to fix them while still fresh in their minds. A list of bullet points would suffice.

We describe the six conditions that support success on pages 14-24 in our *Planning Guide*. The following guidelines should help your small groups evaluate them.

A. Inspiring Leadership and Motivated Staff

If your group is evaluating whether your organization's leadership and staff motivation support its success, you can read about this subject on pages 14 and 15 of our *Planning Guide*. We offer the following things to consider as you determine the degree to which this condition supports your organization's success.

- We invite you to at least browse our *Leadership Guide* and *The Manager's Survival Guide: Five Keys to Guide World-Changing Staff and Projects*. They describe how to guide and motivate world-changing staff, so you might find them helpful.
- If your organization commissioned an internal survey, its results should reveal how well your leader(s) is carrying out his or her responsibilities and how motivated your staff is. If not, your group could ask a random sample of employees how effective their leader is and how motivated they are. But this might yield biased results: *Respondent bias* happens when people tell you what you want to hear. In this case, people responding more positively than they feel.

But asking people about their leader and their level of motivation is far better than guessing at it. If your group tries to assess employee motivation without asking anyone besides themselves—particularly if it's made up of managers, leaders, and board members—it's likely to overestimate it.

It's our experience that management and boards tend to see their organizations through rose-colored glasses. So, if your team didn't commission an internal survey or it didn't cover motivation, consider asking your consultant to interview staff about it.

- Staff motivation is rarely distributed evenly across an organization. Often there are pockets of highly motivated people working in certain units or departments while disgruntled staff works elsewhere. You might want to consider how employee motivation varies in your organization.

If you uncover a worrisome lack of motivation either in certain areas or across your organization, investigate its cause and report it to your team. It might be one of the most important issues to address in the strategic plan.



B. Guided by Your Core Values, Mission, and Vision



If your group is evaluating whether these statements support your organization's success, you can read about this subject on pages 16 and 17 of our *Planning Guide*. We offer the following things to consider as you determine the degree to which this condition supports your organization's success.

Use the definitions in the above-referenced section of our planning guide and our *Guiding Statements Guide: Core Values, Mission, and*

Vision to answer the following questions. If your organization's surveys asked about their clarity and how compelling they are, use the results.

- Has your organization identified its core values? Are they specific to it or could they all apply to other organizations in your field? If your core values aren't specific or don't capture what drives people's passion for your organization, recast them so they do.
- Does your vision statement state what your organization intends to accomplish ultimately? Is it precise enough to provide strategic direction regarding how it should deliver on its mission? Is it compelling? Or is it a broad, "feel-good" inspirational notion like *save the rainforests*, which provides no strategic direction?
- Is your mission specific enough to provide strategic guidance about what your organization should and shouldn't do? Or is it vague enough to accommodate almost any activity remotely associated with it? If it's the latter, consider tightening it up.
- Taken together, do these statements capture the essence of who your organization is, what's most important to it, and what it intends to accomplish?

Recast statements that are unclear, vague, or flaccid. Then present them to your team.

C. Distinctive and Compelling Brand

If your group is evaluating whether your organization’s marketing mindset supports its success, you can read about this subject on pages 18 and 19 of our *Planning Guide*. We offer the following things to consider as you determine the degree to which your brand supports your organization’s success.

1. Read our *Branding Guide*. It’s a quick read that should help you better understand branding.
2. Determine what your real brand is. If you hired us to conduct your external survey, its results would reveal your audiences’ collective impression of your organization and what it offers. If not, discuss what it is amongst yourselves. If your organization has marketing or communications staff, ask them to weigh in on it.
3. Once you know what your real brand is, consider how well it addresses the five characteristics of an effective brand listed above under “What a Brand Should Do.”
4. What is your brand’s key attribute that has the strongest influence on your audiences? If it’s too broad to have a key attribute or if there is a more potent one it could embody, what should it be?



If you determine your brand needs to be strengthened or changed, present your findings and recommendations to strengthen it to the planning team.

D. Focused on What You Excel At

If your group is evaluating whether your organization is focused on what it excels at, you can read about this subject on pages 19 and 20 of our *Planning Guide*. We offer the following things to consider as you determine the degree to which this condition supports your organization's success.

- Answer the questions adjacent to the stylized drawing of a hedgehog on page 20 of our *Planning Guide*. If your surveys asked what your organization excels at, examine the responses.
- Does your organization have a hedgehog concept? If so, what is it? If it doesn't have one, should it? And what should it be? Or must your organization pursue a variety of things to serve its clients (because no one else will) at the expense of excelling at any of them?
- If it's not realistic to pursue one over-arching concept, what is your organization's flagship program? How could it better promote this program?
- Leaving aside the question of whether you have a hedgehog concept, perhaps the bigger one is whether your organization allocates its limited energies and resources wisely? Of all the questions about planning, this one might be critical to its success. And it falls to your group to make the call.



If your group believes your organization should adopt a hedgehog concept or narrow its strategic focus, then it should recommend it to your planning team.

E. Outward-Looking, Audience-Focused Mindset

If your group is evaluating whether your organization’s marketing mindset supports its success, you can read about this subject on pages 21 to 23 of our planning guide. We offer the following things to consider as you determine the degree to which this condition supports your organization’s success.



- We invite you to read a short section of the appendix entitled “More on Building an Audience-Focused Organization and Improving Your Marketing Performance.”
- If your organization commissioned an internal survey, the results should reveal your marketing mindset. If not, your group will need to figure it out. One way is to ask staff members who interact with your clients and supporters frequently to share their thoughts on the subject, perhaps in an informal focus group.
- You also might give a cross-section of employees, or all of them, “The Marketing Mindset” figure, which is figure 7 on page 23 of our *Planning Guide*. You could ask them to circle the one that best characterizes the organization and write their comments on the back. You also could ask your consultant to assess your organization’s marketing mindset, which might yield valuable insights.

If your group concludes that your organization’s marketing mindset is hindering its success, present your findings and recommendations to change it to your team.

F. Sufficient Capabilities and Streamlined Operations

If your group is evaluating whether your organization's capabilities and operations support its success, you can read about this subject on page 24 of our *Planning Guide*. We offer the following things to consider as you determine the degree to which this condition supports your organization's success.

- Read the short section of the appendix entitled “More on Streamlined Operations.”
- We invite you to at least browse two short sections on pages 19 and 20 of *The Manager's Survival Guide: Five Keys to Guide World-Changing Staff and Projects*. They're entitled *Map Key Processes and Workflows* and *Streamline or Completely Redesign Crucial Processes*. They describe this condition for success in more depth than this workbook.
- Does your organization currently possess the capabilities to make a meaningful impact through everything it does? If your organization's surveys asked about capabilities, their results should help you answer this question.
- If not, what's lacking? If “Rob Peter to pay Paul” tradeoffs need to be made to strengthen critical functions, from which less-crucial functions should they be drawn? Keep in mind that most world-changing organizations must stretch their scarce resources thinly—sometimes too thinly—across different units and programs. So, another question to consider is whether your organization allocates its resources wisely. Another is whether it pursues too many activities to make an impact with all of them.
- Do your organization's *core capabilities* (or, if you prefer, *competencies*), which bestow competitive advantage or the unique ability to deliver on its mission, need strengthening? If so, identify what capabilities need strengthening—and where the resources to strengthen them should come from.
- If your organization commissioned an internal survey that asked about your organization's capabilities and operations, the results should help you evaluate this condition. If not, your small group could interview a range of frontline staff about them. You might also investigate the magnitude of error rates, duplication of effort, poor quality, complex work process, missed deadlines, and similar indicators of poor efficiency to determine in your operations are streamlined or complicated.
- The goal of your group's investigation of capabilities and operations is to get a *general sense* of the degree to which they support or hinder your organization's success. Strategic planning is not the time for detailed analyses of one's capabilities and operations. If inefficiency is a widespread problem that hinders your organization's success, then report your findings and recommendation to your planning team.



STEP 4. WHAT PRODUCES YOUR SUCCESS?

3C. Groups present their findings and recommendations on conditions for success to the planning team

Once the small groups finish evaluating the conditions they're assigned, the planning team reconvenes to consider each group's findings and recommendations. The team should archive them in the plan's appendix. Groups should present:

1. A summary of the current state of each condition.
2. A description of issues that are or could affect the condition and success of the organization.
3. A more in-depth evaluation of any serious issues that the group uncovered.
4. Recommendation on how the planning team might address any serious problems.
 - If a problem is relatively minor, but of a systemic nature, for which there is no quick fix, the group might recommend it including it in the plan's appendix as a topic for an upcoming annual work plan.
 - If a problem modestly affects the organization's success, the group might recommend it be a goal or objective under a broader strategic initiative in the plan.
 - But if it's a significant factor limiting success, the group might recommend it at least be a candidate for one of the plan's five or so strategic initiatives.

3D. Planning team reviews what the smaller groups presented and considers what to do about any serious issues they uncovered

First of all, the planning team should keep careful notes on its deliberations after the group presentations. The planning team won't be in a position to assess the strategic significance of problems with these conditions until it completes the next two planning steps. But the team will revisit and reassess the issues affecting the key conditions of the organization's success in the final step of this planning process, so keeping notes of your deliberations could come in handy in the last planning step.

To reacquaint yourself with what produces success, see the figure below and pages 25-35 of our *Planning Guide*. The planning team does the first and last two activities in this step; small groups do the tasks in between.

4A. The team identifies the organization's core functions

The planning team determines the broad, *mission-critical* activities that deliver on and support your organization's mission. See pages 25 and 26 of the *Planning Guide* to learn *core functions*.

4B. Small groups of planners are assigned several core functions and determine the strategies that perform them plus alternative strategies that could do so

After the planning team splits into two or three small groups for steps 4.B to 4.D., the team assigns several core functions to each one to evaluate. If a function's purpose isn't obvious, the group assigned it should figure it out. Each group determines the ways (*current strategies*) that the organization performs the function as well as the other ways it could (*alternative strategies*). A function's *strategic options* are its current and alternative strategies.

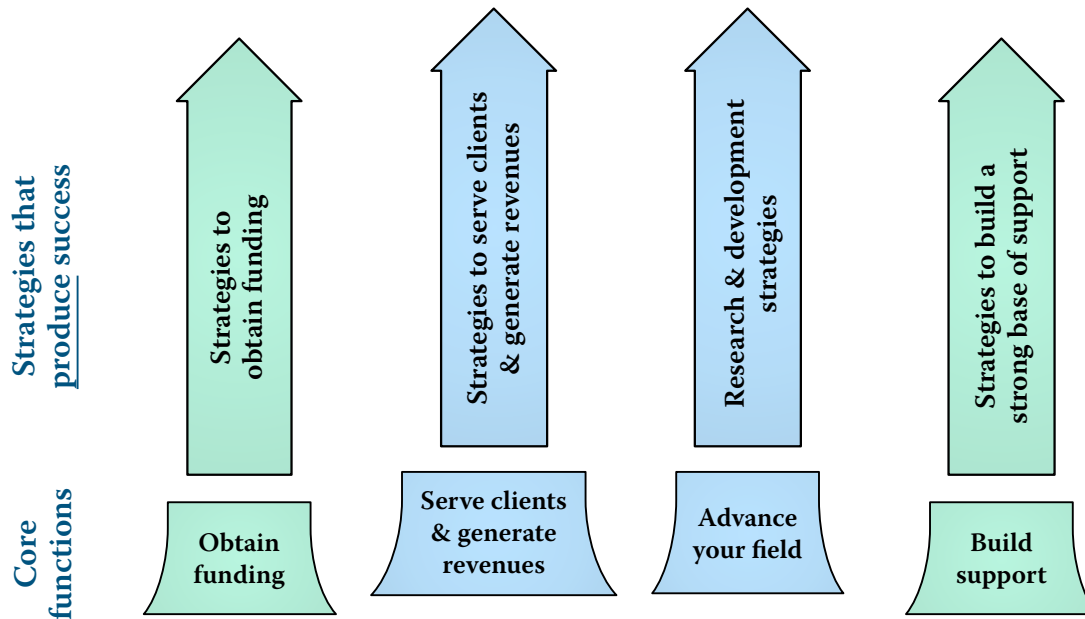


Fig. 4. Core functions & their strategies that produce success

See pages 27-35 of our *Planning Guide* for more on *strategies*.

Instead of making a list of a function's strategic options, we recommend drawing them on flip-chart paper. Write the function's purpose in a horizontal rectangle at the bottom. Portray each strategy as a vertical arrow and write what it does inside it like the ones in Figure 9 on page 28 of our *Planning Guide*. Use different colors to draw current and alternative strategies. This figure is the first step in creating your organization's success map. You'll use these diagrams in Steps 4.D and 4.E.

4C. Small groups draw functional maps of the functions they were assigned

Review Figures 10 on page 32 and 15 on page 50 of our *Planning Guide* to refresh your memory about functional maps. Map the strategies that carry out the functions your group was assigned. Use a sheet of flip-chart or butcher paper, or multiple sheets taped together. List or briefly describe the implementation steps of the strategies that perform these functions. If your group is assigned a non-audience function, e.g., a research and development one, map strategies that carry it out. Don't feel constrained by the functional maps in our planning guide; design better ones.

4D. Small groups evaluate the success of the strategies that perform the functions they were assigned: if one is underperforming, determine why

Once your group has drawn its functional maps, evaluate each strategy's success. See page 34 of our *Planning Guide* for ideas on how to assess them. If one is underperforming, examine its implementation steps on your map to find the source of the problem.

The left, yellow arrow in Figure 12 on page 35 of our *Planning Guide* lists five things to consider to improve a strategy. If that doesn't help, draw a more detailed strategy map of it and describe the implementation steps in more depth. Then see if you can determine why it's underperforming. After you evaluate each strategy's success at performing its function and figure out why any are underperforming, consider if you need to improve, stop, or replace any of them with one of the alternative strategies you identified. ***Each group should write a summary of its findings and recommendations for functions it evaluated.***

We recommend small groups use the same size paper, or at least the same height paper, for their functional maps. Think about the best place to tape a wide organizational success map in your building. A drawing of the conditions supporting success will be at the bottom. How your organization defines success will be at the top. What drives your success will appear below it.

The largest section of the map, by far, will be the functional maps that small groups of planners will draw. If your team, for example, decides all functional maps should be the height of two flip-chart pages taped together (vertically or horizontally arranged), then the team can tape all of them together horizontally.

But if one group draws its functional maps on, say, one sheet of flip-chart paper while another draws them on three sheets vertically taped together, the top of the organization's success map will be uneven. The width of these maps doesn't matter because you'll tape one to one another horizontally on a wall or wrapped around several walls of a room.

4E. Small groups present their maps, findings, and recommendations to the planning team, which then assesses their strategic significance

Once the small groups present their maps, findings, and recommendations to the planning team, the team reflects on what it just learned. It decides which findings and recommendations are critical enough to address in the strategic plan. For those less-critical ones, the team determines if it should add them to the plan's appendix for possible inclusion in future annual work plans.

4F. Share what you learned in step 4 with the rest of your organization

The team should share a summary of its findings—and possibly the functional maps—from step 4 with everyone in your organization and encourage their feedback.

STEP 5. WHAT DRIVES YOUR SUCCESS?

5A. Determine and evaluate your key drivers of success

The planning team performs step 5. It begins by determining the key drivers of success (KDS) for each core function. Figure 5 shows the four KDSs in our planning model. Three of them depend on exceeding the expectations of their target audiences. The KDS of the research and development function depends on advancing emerging ideas and methods in one's field. Your organization might have more specific or different KDSs.

If a KDS and, hence, its core function is underperforming (not contributing sufficiently to the organization's success), you probably know which of its strategies is responsible for it from step 4.

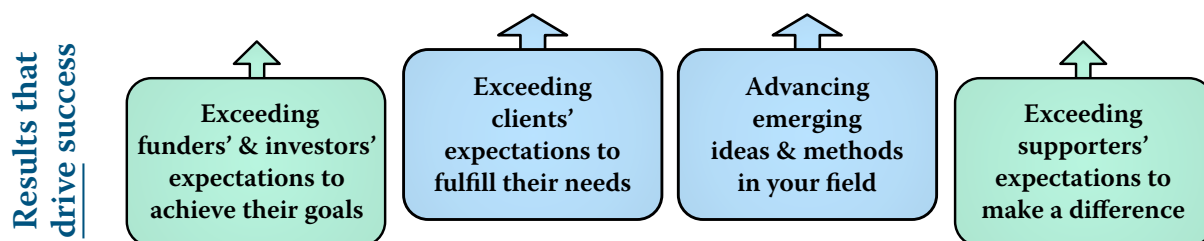


Fig. 5. The key drivers of success from our planning model

5B. Determine the best way to strengthen your success drivers

If you're not confident you understand why a KSD is underperforming, assign several team members to figure out why. They should report back to the team once it's figured why. It could be that the core function needs to be redesigned from the ground up—something that would be noted prominently in the strategic plan. Or the deficiency in a single implementation step of one of the function's strategies could be the reason. If so, it might be fixed right away or addressed in the plan.

After assessing your KDSs in Step 5A, figure out what your organization needs to do to strengthen any deficient KDS.

5C. Consider the implications of what you learned about your key drivers of success for your strategic plan

Since KDSs are what drive your organization's success, any insights the team gleaned from investigating and considering how to strengthen them, might have important implication for your plan. What are these insights?

5D. Share what you learned in step 5 with the rest of your organization

The team should share a summary of its findings from step 5 with everyone in the organization and encourage their feedback on it.

STEP 6. TO FORMULATE YOUR PLAN: WHAT DOES YOUR ORGANIZATION NEED TO DO BETTER OR DIFFERENT TO BE MORE SUCCESSFUL?

The previous steps of this planning process should provide your team with a clear understanding of the major strategic issues confronting your organization as well as potential opportunities it might pursue. Your team should now understand the key drivers of your organization's success. And it should know where best to focus your organization's energies and resources in the next three-to-five years to make it more successful.



The planning team should review the strategic issues and opportunities it identified in Step 2. Hopefully, it addressed most of them in subsequent steps. For those that weren't, the team will need to assess their relative importance given what else the strategic plan will need to do.

Strategic initiatives. We believe the most effective strategic plans are built around three-to-five strategic initiatives. They should either fix the organization's most critical problems or capitalize on its most promising opportunities. Your organization should accomplish them in three-to-five years.

Building your plan around six or seven initiatives shouldn't doom it. But creating a laundry list of, say, a dozen or more strategic initiatives defeats the purpose of strategic planning—instilling strategic focus. Concentrate your organization's energy and resources on *the vital, few things* most critical to its success.

Goals. Each strategic initiative should have a small number of general goals, perhaps—*again*—three-to-five. By this stage of planning, you should know organization's capabilities. Thus, the plan should propose goals that *stretch* the organization in healthy ways rather than arbitrary ones it can't accomplish. *Stretch goals* are excellent motivators for organizations.

Objectives. Each goal should have a small number of *specific objectives* that, when achieved, contribute to achieving the broader goal. (If you prefer *broad objectives* and *specific goals*, label them as such. There's no consensus in the management literature on this nomenclature.)

Action plans. Each strategic initiative should have an *action plan* to implement it. Your organization's leader should assign a leader and small team to each initiative. They should draft an action plan outlining its major steps, timeline, and needed resources. Your leader is responsible for its success.

Strategic review process. To ensure the plan’s implementation and that adapts to changing conditions, we’ve developed a strategic review process shown on page 41 of our *Planning Guide*.

Appendix. The plan’s **appendix** is the repository for the historical and strategic information used or generated by the planning team. It’s likely to be viewed as a treasure trove of valuable information by future planning teams. It can be as long as it needs to be, but we’ve found a 50-to-100-page appendix provides sufficient background on most plans. One of the most valuable nuggets of information are the key findings, if not the raw data, of your internal and external surveys.

6A. Complete your success maps and tape your large one it to a wall

If your small planning groups haven’t finished their maps of the functions they were assigned, do so now. We recommend you make two sets of success maps, one on letter- or legal-size paper to include in the appendix. Tape the other set, which will be much larger, to a large wall in your building. Obviously, your wall-mounted one will be more detailed. Review our advice on large maps on page 20 of this workbook.

6B. Construct your overall success map, and then review and rank your findings and insights from the previous steps

Once you’ve assembled all your findings and recommendations from previous steps, step back from the details for a moment and see what patterns emerge. What insights can you draw about your organization and its success? Is there something lurking behind the details that can unlock your organization’s full potential?

You might recall that we defined an **organizational strategy** on page 27 of our *Planning Guide* as a series of planned actions to make a significant improvement or change in the organization.

Now is the time to consider if your plan should include strategies that affect most or all of your organization. See examples of these types of strategy in the last bullet of step 6C.

Then create a list of your key findings, recommendations, opportunities, strategic issues, and potential organizational strategies. Shorten the list by lumping similar ones together. Then ask each team member to rank the top ten or so on their importance to your organization’s success for the next three-to-five years. Once you’ve compiled the rankings, discuss the results.

Don’t be beholden to your team’s average rankings. For example, if an item near the top of your list received a low average ranking but you think it’s critically important, make a case for including it as a strategic initiative. Remember, strategic planning should separate the **vital few** strategic issues to your organization’s long-term success from the trivial many things on which you could fritter away your organization’s energy and resources.



6C. Determine the “vital few” things—strategic initiatives—that will have the biggest impact on your organization’s success in the next 3-5 years

This step is the most important one in strategic planning. Based on your rankings and discussion (remember, don’t be wedded to your rankings!), determine the few “big things”—strategic initiatives—to improve or do differently in the coming years that will have the biggest impact on your organization’s success.

The decisions you make here will have *a huge effect* your organization in the coming years. The team determines the vital few things—strategic initiatives—that the organization should focus on or do in the next five years to be more successful. Try to limit your strategic initiatives to the three-to-five things that are most critical to your organization’s success. (Six or seven things are acceptable but more than that will dilute your organization’s strategic focus and energies).

Consider if one of your initiatives should:

- Strengthen one of your six-or-so conditions for success.
- Add a new core function, or change or improve a current one.
- Improve, stop, or change a strategy of one of your functions.
- Address or capitalize on one or more of your strategic issues, opportunities, and what your organization excels at (which could become its hedgehog concept).
- An *organizational strategy* that improves your whole organization. Examples are:
 - Adopt a hedgehog concept.
 - Develop a more outward-looking, target-audience mindset.
 - Move from a unit- to a team-based organizational structure.
 - Adopt participative leadership and management practices.
 - Analyze and streamline key internal operations to improve quality and lower costs.
 - Institute a quality improvement program for your whole organization.
 - Focus everyone’s attention on the status of your key drivers of success.
 - Move to digital, web-based information systems.

Determine the strategic initiatives that will form the backbone of the strategic plan.

6D. Set “stretch goals” for each strategic initiative and specific objectives for each stretch goal

Each strategic initiative should include a series stretch goals that, when achieved, will hasten the accomplish the initiative. Three-to-five broad goals is a reasonable number. A few more or a few less is fine. But more than seven or eight goals should be consolidated into a smaller number of goals. Then set more specific objectives for each goal. Three objectives are a reasonable number. The problem with too many goals and objectives is the *glaze-over factor*—having too many “critical” things to do can render them all mundane.

6E. Harvesting the “other stuff”

Planners often uncover numerous minor issues and problems in strategic planning. The question is: What to do with them? We recommend recording them in the plan’s appendix. Consider placing them under the technical heading “Stuff That Needs to Be Fixed or Dealt with but Fall Outside of Our Strategic Initiatives” in the appendix. They can be harvested later as elements of annual work plans or addressed as individual projects in coming years.

6F. Recruit a leader for each strategic initiative

Once your team has settled on the plan’s strategic initiatives, your organization’s leader or your team should recruit a person to lead each one. “Recruit” is not a misnomer for *assign*. You want strategic initiative leaders who appreciate the importance of the initiative they’ll direct and are fired up to do so. Team members can serve as leaders, but leaders don’t need to be members of the planning team.

Once strategic initiative leaders are recruited, they should recruit their team members who will help ensure the success of their initiative. Depending on the scope of an initiative, the work schedules of team leaders and members might need to be adjusted to accommodate their added responsibilities.

6G. Write your strategic plan

We encourage you to write a short strategic plan with a lengthy appendix.

A two-to-four-page plan is much easier to grasp and implement than a twenty-pager. Structure the plan however you like. One option is to lead off with your organization’s guiding statements: core values, mission, and vision. Next might be a summary of your organization’s most pressing strategic issues and the most-promising opportunities on its horizon. Then a list of the strategic initiatives with their goals and objectives embedded in them. The next to last section could be the timetable for the plan’s implementation. Last, acknowledge who served on the planning team, and who helped it.

Though the planning team is responsible for the whole strategic plan, their role in drafting strategic initiatives is an advisory one. Each initiative’s team leader is responsible writing its action plan. The first task of a strategic initiative team is to review its goals and objectives of the initiative. If the leader or team doesn’t agree with any of them, they’re encouraged to request the planning team amend them.

We recommend including an “everything plus the kitchen sink” type of appendix. A 100-page appendix isn’t too long. Lengthy appendices are treasure troves of invaluable information to future planning teams as well as organizational leaders. Such an appendix might include:

- Action plans for strategic initiatives
- Implementation plan and timetable
- Strategic review process and timetable
- Important issues to address in annual work plans
- External and internal survey results
- The performance review
- Small group assessments of the key conditions of success, core functions, strategies, and key drivers of success
- Ranking of strategic issues and key insights

6H. Implement your plan and periodically review its progress

A plan is only as good as its implementation. Write a short implementation section as part of your plan. State who is responsible for implementing the whole plan as well as each part of it. For example, is your organization’s leadership team responsible for overseeing the plan’s implementation or, if it has a different composition of members, is the planning team? Draft an implementation timetable that includes key dates from action plans for strategic initiatives. The plan’s implementation should “stretch” the organization and everyone in it, but not be regarded by staff as *Mission Impossible*.

CONGRATULATION! You’ve just completed your strategic plan!

APPENDIX

Performance review summary sheet we developed for a client

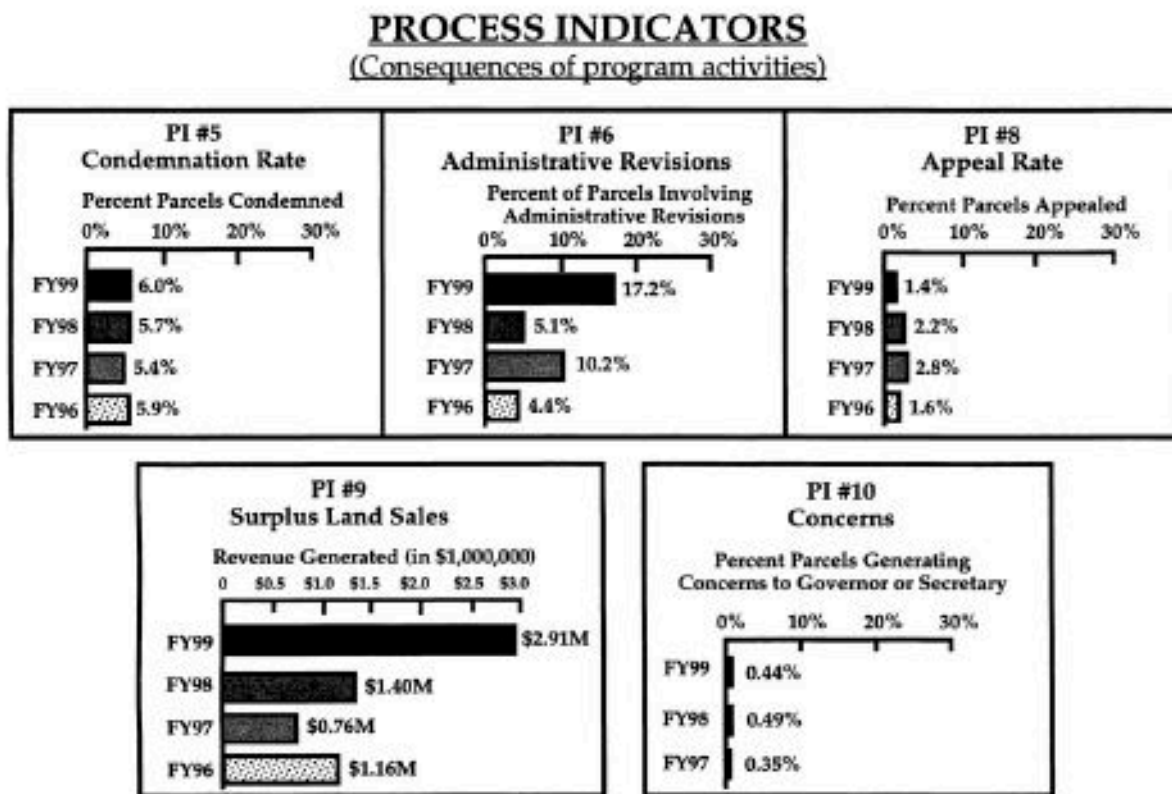
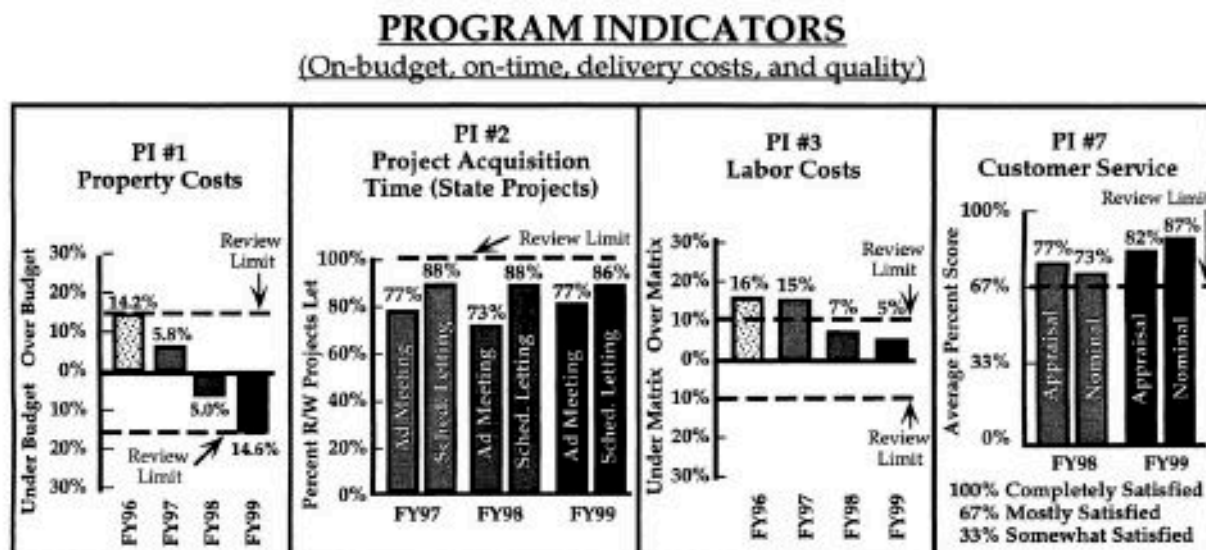


Fig. 6. Summary sheet of performance review measures

More on building an audience-focused organization and improving your marketing performance

The following two sections are on page 34 of our *Strategic Marketing Guide*.

Build an audience-focused organization

Once your marketing team identifies your target audiences and designs your marketing strategies, you'll need employees who understand and appreciate the importance of strategic marketing to implement these strategies. Unless your managers and front-line staff develop an audience-focused marketing mindset, strategic marketing won't make your organization more successful. Everything you attempt to accomplish through strategic marketing will be expensive theater—they will see it as just another management fad.

Before employees can strengthen their relationships with their target audiences, they need to see them for who they are—the ones who determine their organization's and their job's survival and success. Strategic marketing training is the best way to begin building an audience-focused organization.

If we presented strategic marketing training for your organization, we would use your assessment of your organization's knowledge of and attitudes of strategic marketing from Step 1 to tailor it for your organization. If you commissioned our firm to conduct external and internal surveys for your organization, their findings would be invaluable in designing this training. After the training, managers would begin incorporating strategic marketing ideas and tools into how your organization thinks about and carries out its work.

Continuously improve your marketing performance

The last step of the model encourages you to monitor and improve your marketing performance continuously. Our strategic planning guide introduces *a new strategic review process* illustrated below. It helps an organization's guiding members monitor if their organization is on track to accomplish its five-year goals and shorter-term milestones.

Guiding members would *formally evaluate* their organization's strategies and performance every two years, and conduct *a less rigorous review* of them annually. Depending on the results of these evaluations and reviews, the guiding members might modify or change the organization's strategies, milestones, goals, and vision.

This strategic review process helps you strike the right balance between maintaining its strategic course, adapting to changing conditions, and seizing promising but unplanned for opportunities. If you use our strategic planning model, which incorporates strategic marketing into the planning process, then your marketing performance would be included in your strategic review. If not, you could still use this review process to monitor and improve your marketing performance at regular intervals.

More on streamlined operations

Detroit, which until recently was nearly bankrupt, is the poster child for failing to understand audiences' needs, poor quality, and inefficient operations. Look at most parking lots in the U.S. and what do you see: Toyotas, Hondas, Subarus, Mazdas, and some domestically made vehicles. The Big 3 U.S. auto companies weren't concerned, unlike their Japanese counterparts, in continually improving every facet of the operations. But streamlined

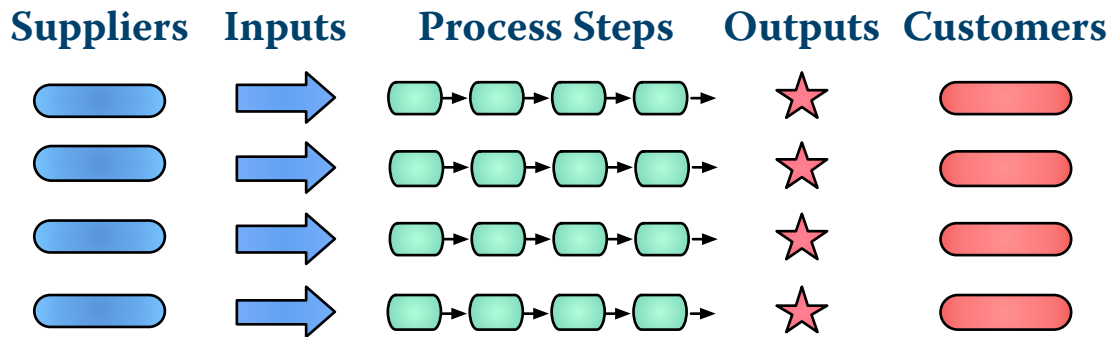


Fig. 7. SIPOC workflow model

operations are vital an organization's success.

Efficient operations start with a simple idea: work is carried out through a series of repeated steps called *processes* and processes that are linked together to produce a result are a *system*. *Suppliers* feed *inputs* such as information or materials into a process. Then the process transforms these inputs into *outputs* such as reports or products for customers. The *customer* of a process can be inside (for example, another department) or outside the organization.

The more efficient your operations, the more likely your products and services will meet or exceed your clients' expectations. Efficient operations produce error-free products and services that are reasonably priced and delivered on time.

Why are most operations inefficient? One reason is that most were cobbled together years ago and then "fixes" were applied to them one on top of another to correct problems. Over time simple processes turn into hungry behemoths that devoured staff's time and motivation with their complexity and duplication. If outdated and overly complex operations are impeding your organization's success, use strategic planning to call attention to them and set your organizational house in order.

Most work environments can be redesigned to reduce the distance that work-in-progress (WIP) travels, eliminate bottlenecks, shorten processing times, and reduce handoffs (and fumbles) by reducing the number of people involved in a process. We've seen units and organizations make huge gains in performance by just mapping and then streamlining their critical processes. We present the humble *SIPOC work process model* above to illustrate how streamlined operations can look.

The benefits of improving internal processes can be enormous. Most people want to take pride in their work; streamlining work processes gives them the tools to do so. When people start to map the work processes that have dominated their work lives for years, they finally understand the root causes of their frustrations. When they design ways to eliminate them, the results benefit everyone—and internal operations finally support organizational success.

Determine if your audience strategies are properly implemented

Your planning team can use the following information for two purposes: 1) to evaluate whether a poorly performing core function is due to a bad strategy or a good strategy poorly implemented, and 2) to design new audience strategies and plan how to implement them.

Step 1. TARGET YOUR PROSPECTIVE AUDIENCES of clients, funders, and supporters that you're in a unique or best position to help—and that by serving them delivers on your mission in a meaningful way

For simplicity sake, we'll assume that your planning group is evaluating whether your organization is targeting (marketing to) the best prospective clients. Other groups would do the same for potential funders and supporters.

This step is straightforward and quick: simply plot the groups of prospective clients on two axes and select the ones who by serving them, best delivers on your mission; and whom your organization is in a unique or best position to help compared to other organizations in your field. Since you'll identify nearly all the groups of your prospective clients you ***could help*** on your first map, you should be able to plot them on maps with different axes.

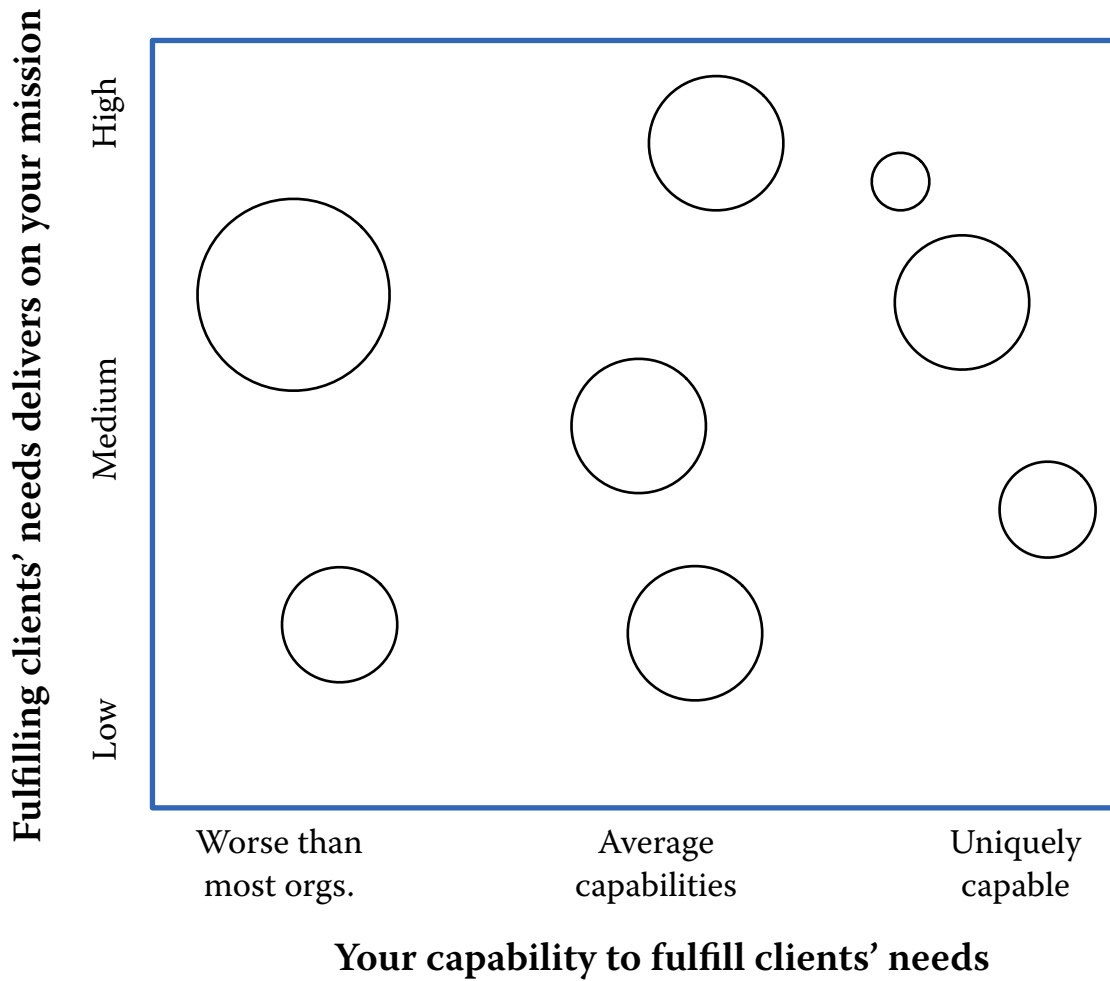
Doing so may sound esoteric, but it isn't. Just identify the different dimensions you could use to separate ideal prospective clients from those less desirable and plot them on various sheets of large paper.

Other dimensions you might plot could be:

- *Geographic*—how close are they to your office.
- *Economic*—can they afford what we offer.
- *Demographic*—what age groups can you best serve and would be most attracted to what you offer.
- *Lifestyle*—see our *Strategic Marketing Workbook* (on pages 14-15) for an eye-popping array of lifestyles like Toys & Tots, Estate Summits, The Great Outdoors, Raisin' Grandkids, and Shooting Stars.

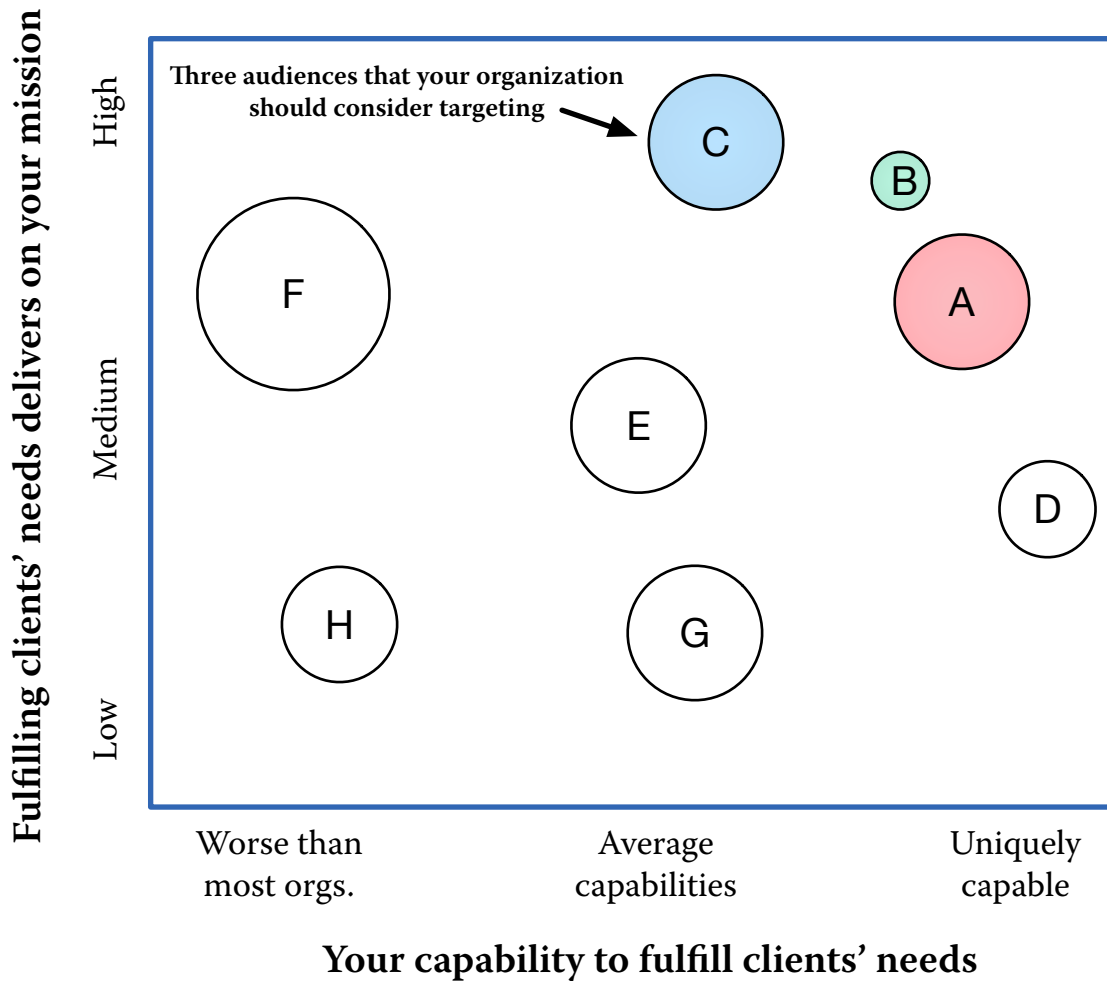
There are many ways to plot your prospective audiences. The trick is to identify the key variables that separate the ones you should target from those you should waste your time on.

1A. PLOT GROUPS OF POTENTIAL CLIENTS: Identify the groups of people or organizations (prospective audiences) that the function could target.



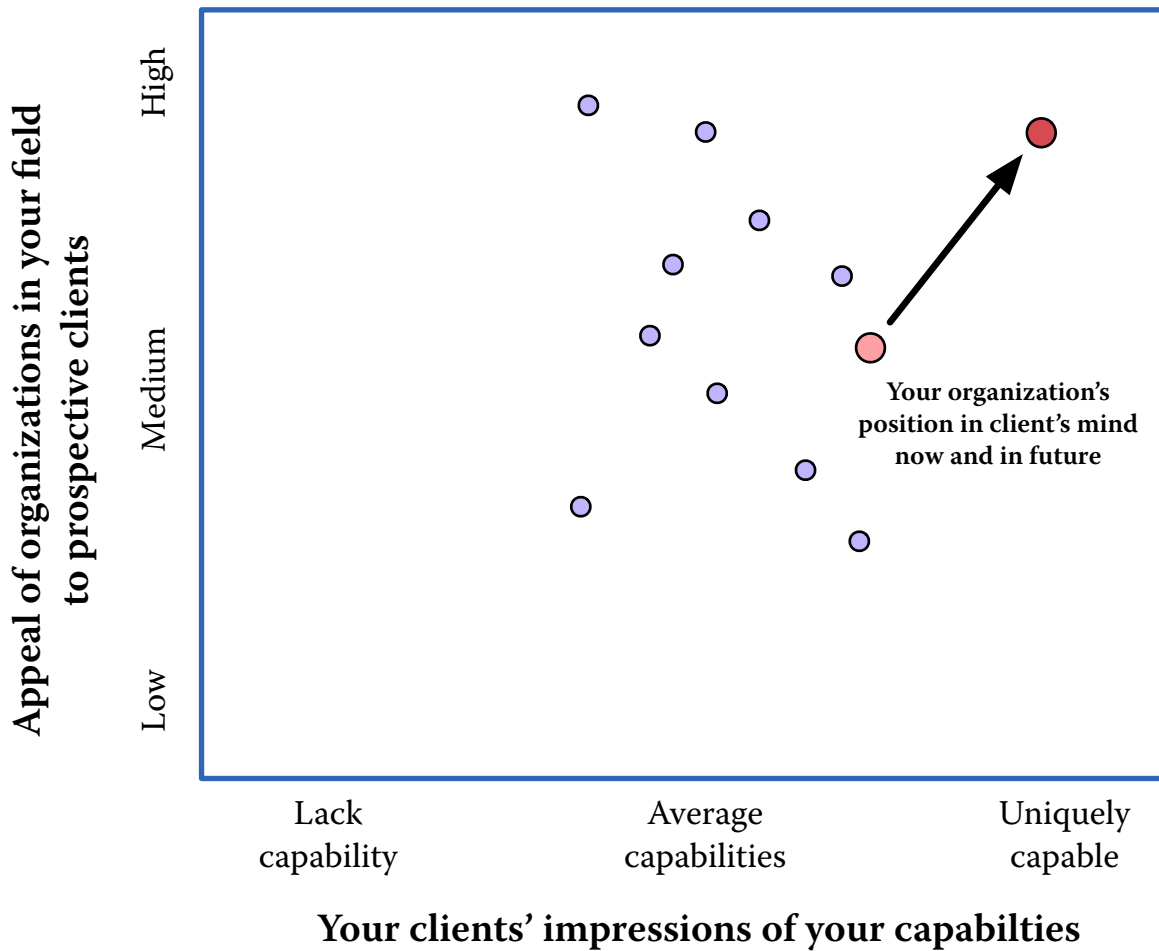
- 1B. **TARGET THE BEST GROUPS OF CLIENTS:** Determine which groups (audiences) you can best serve and, that by doing so, best delivers on your mission.

1b. Target the best audiences



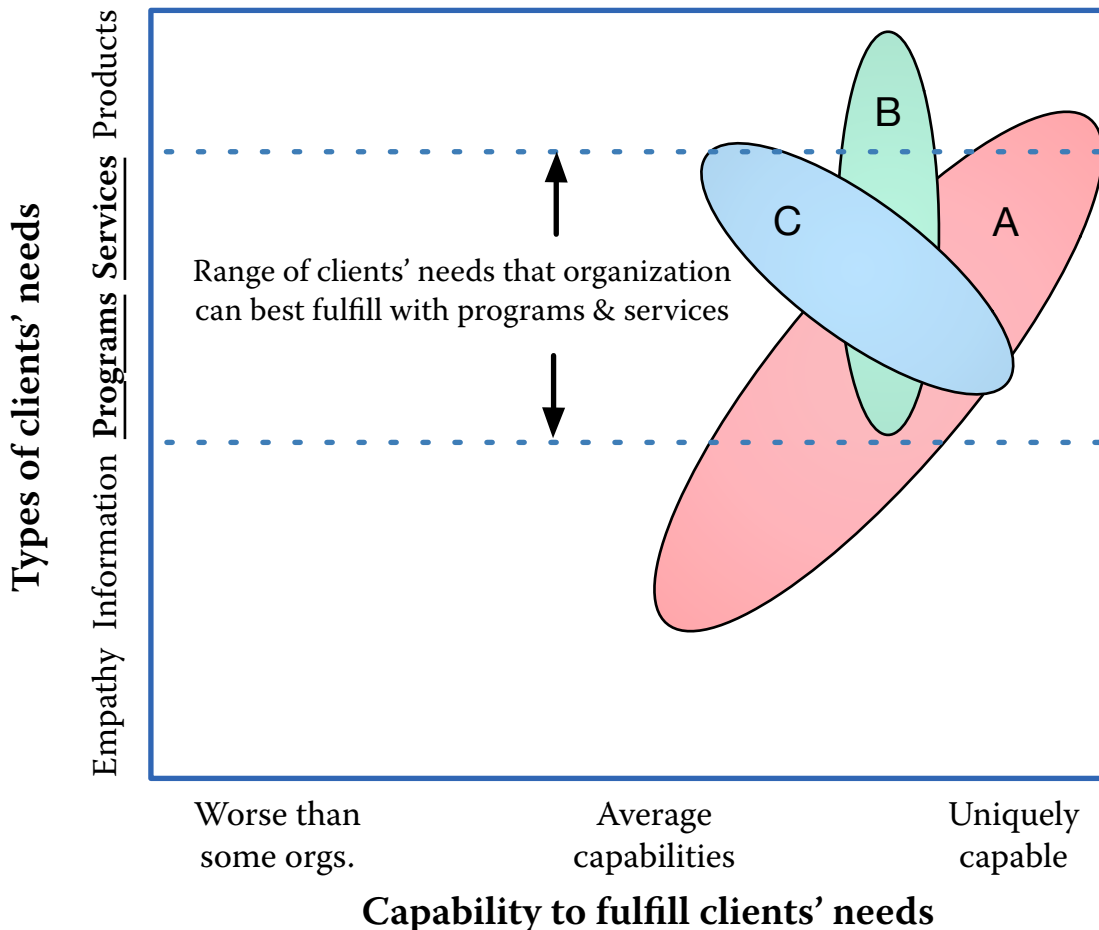
Step 2. POSITION YOUR ORGANIZATION IN YOUR CLIENTS' HEARTS AND MINDS: Position your organization and what it offers in the hearts and minds of your target audiences as their only or best option to fulfill what they need or seek

You position your organization in your audiences' hearts and minds primarily through your brand (see our branding guide for details). You affix your offerings in their hearts and minds by designing highly attractive and valuable offerings, and then through strategic and compelling marketing communications.



Step 3. DEVELOP THE BEST OFFERINGS: Develop the best products, services, programs, proposals, experiences, or whatever satisfies your clients' needs

The figure below illustrates one method for determining what to offer your audiences—in this case, your clients. The colored areas labeled A, B, and C show the range of clients' needs of a hypothetical organization plotted against its ability to fulfill them. Audience A has broader needs than B and C. The two horizontal dashed lines denote an area encompassing the needs of all three audiences, which the organization could fulfill by providing programs and services.



Step 4. ENGAGE YOUR AUDIENCES WITH COMPELLING MESSAGES that address their needs, desires, and preferences

This last step involves marketing communications. Its goal is to engage your audiences with compelling marketing messages on an ongoing basis. The three key elements are:

- A. **Messages.** Design your marketing messages to grab their attention.
- B. **Channels.** Figure out the best ways (channels) to reach your audiences.
- C. **Communications.** Engage audiences in a compelling and ongoing manner.

ENDNOTE

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*Never doubt that a small group
of thoughtful, committed people
can change the world.*

Indeed, it is the only thing that ever has.

— Margaret Mead

OUR SERVICES AND RESOURCES

Consulting and Training Services

We offer a full range of consulting services on planning, marketing, and organizational development—design, surveys, facilitation, implementation, and evaluation. We offer training programs on many subjects. See our *Catalogue of Services* on our website for details.

Planning and Facilitating Retreats and Board Meetings

Retreats and board meetings are the best times to gain strategic insights and forge strong bonds among leaders. We can help you plan and facilitate these gatherings. We also can help you set their goals, design creative ways to achieve them, and ensure discussions are honest and respectful. Topics can range from emerging opportunities to resolving underlying issues.

Probably the best topic is *“How can we make our organization more successful?”* We’d welcome the opportunity to explore it with your leaders and board from an hour-long meeting to a weekend retreat. They’d consider what success means to their organization; what supports, produces, and drives it; and how to strengthen the forces behind it.

Keynote Addresses

Topics for our keynote addresses include world-changing strategy, marketing, and leadership, which we tailor to your organization; inspirational stories to motivate staff; and other topics.

Your Resource Library for Making a Difference in the World

- #1 Strategic Planning Guide: How to Design More Effective Strategies to Deliver on and Support Your Mission** ~55 pages
- #2 Strategic Planning Workbook** ~40 pages (not pictured below)
- #3 Guiding Statements Guide: Core Values, Mission, and Vision** ~25 pages
- #4 Strategic Marketing Guide: How to Better Understand, Engage, and Serve Those Who Determine Your Success** ~50 pages
- #5 Strategic Marketing Workbook** ~50 pages (not pictured below)
- #6 Branding Guide: How to Stand Out from the Herd of Organizations in Your Field** ~25 pages
- #7 Leadership Guide: How to Build a More Successful World-Changing Organization** ~75 pages
- #8 Manager’s Survival Guide: 5 Keys to Guide World-Changing Staff and Projects** ~30 pp.

