

THE THIRD SECTOR REPORT

## What Happened To The Strategic In Planning?

By Jeffrey R. Wilcox, CFRE

It doesn't take a lot of persuasion to convince leaders of nonprofit organizations that any upstanding community enterprise that depends on community support should have a roadmap charting its future course of action.

What happens beyond that point of agreement, however, could be considered a religious mystery.

For a surprisingly large number of nonprofit organizations, envisioning the future equates to a one-day retreat with the caveats that a top-notch facilitator at a rock-bottom price will lead the session and "the right people" must be in the room. From there, the key decisions include determining which staff, if any, should be present, identifying the topics that should be avoided, and safeguarding the gathering from the pitfalls that characterized the last go-around.

In the end, if everything goes as it should, white smoke should emerge from the chimney at the end of the day letting everyone know that the leaders have finished their job charting the future course of the organization.

I do know of what I speak as I've been down this pathway many times throughout my career. And, according to the results of a new national study on nonprofit strategic planning, I am not alone.

In March, the Association for Strategic Planning in partnership with the University of Arkansas asked 973 nonprofit organizations and consultants to the Third Sector across the United States to swing open the closet door on strategic planning and disclose their habits. The results tell the story:

- Less than a third scan the operating environment or review trends in their industry
- Less than 15% review the regulatory environment even though a significant amount of their resources may come from public funding sources
- Less than half conduct any kind of stakeholder interviews or surveys

Not surprising, the smaller the organization, the greater the probability that these statistics about performing due diligence will be even lower.

Indeed, it appears that there are a significant number of leaders who simply profess to know what's in the best interest of their organizations to serve the community. What's needed is a structured session to record those right answers on a sheet of paper so the capital can start rolling in to mobilize the effort.

During a time when funding organizations want to see plans from nonprofits that are truly strategic, the crop of good examples is dwindling. Combine that fact with the number of organizations that complete a plan and then never to refer to it again is sure to prove mother's promise that stunted growth will come from practicing bad habits.

Somewhere along the line, the notion of strategic planning became costly, cumbersome, impractical, academic, or time-consuming. It's not surprising that the drive-thru version was destined to become popular. But, at what cost?

As a grantmaker, I discovered there were six benchmarks that separated a strategic plan that was the result of brainstorming from a plan that was the result of brainpower.

The first four benchmarks all began with the letter "e" that any leader can easily remember and apply: Efficiency, effectiveness, equity-building, and evolution. Any organizational roadmap that sets forth incremental progress towards further demonstrating financial stewardship, increasing community impact, developing people and dollars as sustainable resources, and staying in touch with the times is on its way to putting the concept of strategic back into planning.

The two remaining benchmarks are putting a price tag on the plan and identifying the metrics that will monitor its progress. Combined, these six benchmarks of planning are what separate strategic major gifts fundraising fueled with facts from charitable begging highlighted with hopes.

Every board struggles between policy, process and the particulars. The most valuable gift a nonprofit board can give to its previous and future generations is to have a retreat that results in a strategic planning policy that demands due diligence in planning, affirms the six benchmarks as expected outcomes, and, then, proposes a process that seeks to vest more people and their resources in shaping and mobilizing the future of the organization.

If this sounds like too much work, I guess there will always be people who would rather work hard than work smart. And, that's too bad when times are tough and needs are great.

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