

Community Foundation of Jackson Hole

Building Sustainability for Nonprofit Organizations

Strategic Approach to Change



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Building Sustainability for Nonprofit Organizations

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Welcome

Building Nonprofit Organizations That Will Last

Increasingly, funders and supporters are requiring nonprofits to demonstrate the sustainability of their efforts. But what does that mean and how is it accomplished? Identifying the elements and processes that make an organization strong and charting a clear course for implementation are the first steps.

This workshop focuses on the principles of strategic thinking and strategic planning, along with practical, easy-to-implement advice and tools for engaging board and staff in building a strategic approach to change for your organization.

Strategic Approach to Change

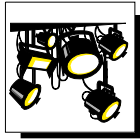
Community Foundation of Jackson Hole

May 13, 2013



Learning Objectives

- Learn the critical elements of sustainability
- Explore ways to think and plan strategically
- Clarify board and staff roles and responsibilities for strategic planning and execution
- Identify practical approaches for setting priorities and aligning action to make the most of scarce resources
- Through interactive peer discussion, discover how other organizations are managing a strategic approach to change
- Find answers to your questions about building your organization's effectiveness and gain practical information and tools you can put into immediate action



Purpose & Agenda:

Meeting Purpose

For Board members and staff of nonprofit organizations to explore how to think and plan strategically, clarify board and staff roles and responsibilities for strategic planning and execution, and set priorities and align action to make the most of scarce resources.

Agenda

Welcome and Getting Started:

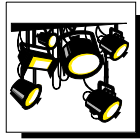
- Objectives, Agenda, Ground Rules
- Introductions
- What does success look like?

Managing a Strategic Approach to Change

- Elements of Sustainability
- A Model for Effective Governance
- Vision, Mission, and Values
- Addressing Key Issues
- Develop Goals
- Determine Strategies
- Wrap Up & Next Steps

Wrap up

- Next Steps
- Evaluation



Strategic Thinking Is...

By J. Russell and L. Russell

Strategic Thinking is a way of looking at the circumstances and the environment you face and then making decisions and taking actions with a certain mental model or mindset. The components of a strategic thinking mental model are:

- **Holding an image of the vision or ideal future in one's mind.** Strategic thinking begins with a clear understanding of the desired long-range future for the organization. With this vision or idea in mind, decisions and actions are more likely to be directly and indirectly shaped by this overarching objective.
- **Drawing on and being shaped by the organization's core values.** Whereas the vision describes the end state that individuals are striving to create over time, the core values speak to the moment. These values, when clearly defined, understood, and accepted by people at all levels of the organization, are more likely to lead to strategic decision making and actions.
- **Continuously scanning the environment for opportunities and threats.** The strategic thinking mindset depends on a keen awareness of the environment. The antennae are always up. Strategic thinkers discover opportunities by being open and receptive to new information – and they are able to detect potential threats early-on by being conscious of emerging issues and events that may have a harmful effect on the organization.
- **Seeing patterns and relationships in events and circumstances.** Strategic thinkers “connect the dots” by looking for and recognizing the patterns and relationships among events and circumstances. Strategic thinkers, for example, will be the first to detect an emerging pattern of client/customer requests or complaints. They can then begin the conversation around the meaning of this trend for the organization and its future success.

- **Recognizing the interconnections and interdependencies before making decisions and taking action.** Strategic thinkers are deeply aware of the interdependencies and interrelationships among actions and events. They recognize that every action within a system (for example, lowering prices to attract new customers) may or may not have its desired effect (for example, increase in new business), but that there are *unintended* consequences for this decision (for example, reduced margins, lower perceived value of the product) that will occur. This rule – the rule of unintended consequences – is greatly respected by strategic thinkers.

- **Making decisions and taking actions for the long term that are shaped by the vision, core values, and awareness of the environment and the interdependencies.** The final component of strategic thinking integrates the previous components into a strategic perspective that shapes how the individual makes decisions in the moment – with thought to the long-term vision, core values, and deep awareness of the environment.



Five Elements of Sustainability

“To make the greatest impact on society requires first and foremost a great organization, not just a great program.”

– Jim Collins, *Good to Great and the Social Sectors*

While there is no one formula for building a high-performance social sector organization, there are elements and processes that effective nonprofit organizations have in common. The following is a checklist of some of those fundamental components.

Clear and Compelling Vision

Brief, well-defined vision and/or mission statement

Statement of core values

Community assessment and feedback processes

Focused approach that is not redundant with other organizations' programs

Defined measures of success

Passionate and Engaged Board of Directors

Strategic approach to board recruitment and succession

Board members are articulate advocates for the organization

Clearly defined and consistently practiced roles and responsibilities

Clear expectations and accountability for board members

Written policies and procedures

Effective Communications and Marketing

Strategic marketing plan

Clear, jargon-free messaging with great stories to demonstrate impact

Proactive communications to constituents and the communities served

Network of key influencers

Strong, content-rich website

Strategic Approaches for Funding

Strategic funding plan

Demonstrated support and participation by the board

Balanced portfolio of funding sources

Donor/funder relationship management programs

Endowments and reserve funds

Motivated, Professional Staff

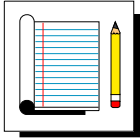
Clearly defined roles and expectations

Skills and experience commensurate with needs

Appropriate compensation

Respectful, supportive work environment with regular, constructive feedback

Adequate resources available



Organizational Sustainability Assessment

Use the scale below to indicate how each statement applies to your organization.

3 = yes, we have this **2** = we're working on it **1** = no, we don't have this

I - Clear and Compelling Vision

SCORE

1	Brief, well-defined vision and/or mission statement	
2	Statement of core values	
3	Community assessment and feedback processes	
4	Focused approach that is not redundant with other organizations' programs	
5	Defined measures of success	

SUBTOTAL _____

II - Passionate and Engaged Board of Directors

6	Strategic approach to board recruitment and succession	
7	Board members are articulate advocates for the organization	
8	Clearly defined and consistently practiced roles and responsibilities	
9	Clear expectations and accountability for board and staff	
10	Written policies and procedures	

SUBTOTAL _____

III - Effective Communications and Marketing

11	Strategic marketing plan	
12	Clear, jargon-free messaging with great stories to demonstrate impact	
13	Proactive communications to constituents and the communities served	
14	Network of key influencers	
15	Strong, content-rich website	

SUBTOTAL _____

IV - Strategic Approaches for Funding

16	Strategic funding plan	
17	Demonstrated support and participation by the board	
18	Balanced portfolio of funding sources	
19	Donor/funder relationship management programs	
20	Endowments and reserve funds	

SUBTOTAL _____

V - Motivated, Professional Staff

21	Clearly defined roles and expectations	
22	Skills and experience commensurate with needs	
23	Appropriate compensation	
24	Respectful, supportive work environment with regular, constructive feedback	
25	Adequate resources available	

SUBTOTAL _____

Record your Sub-Totals here:

- I: Clear and Compelling Vision** _____
- II: Passionate, Engaged Board of Directors** _____
- III: Effective Communications and Marketing** _____
- IV: Strategic Approaches for Funding** _____
- V: Motivated, Professional Staff** _____

For any Section Score that is between 5 – 7, roll-up your sleeves and keep listening.

For any Section Score that is between 8 – 11, there is still room for improvement.

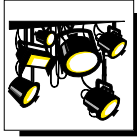
For any Section Score that is between 12 – 15, congratulations! You are well on your way to sustainability.

Notes/Observations from completed Assessment:

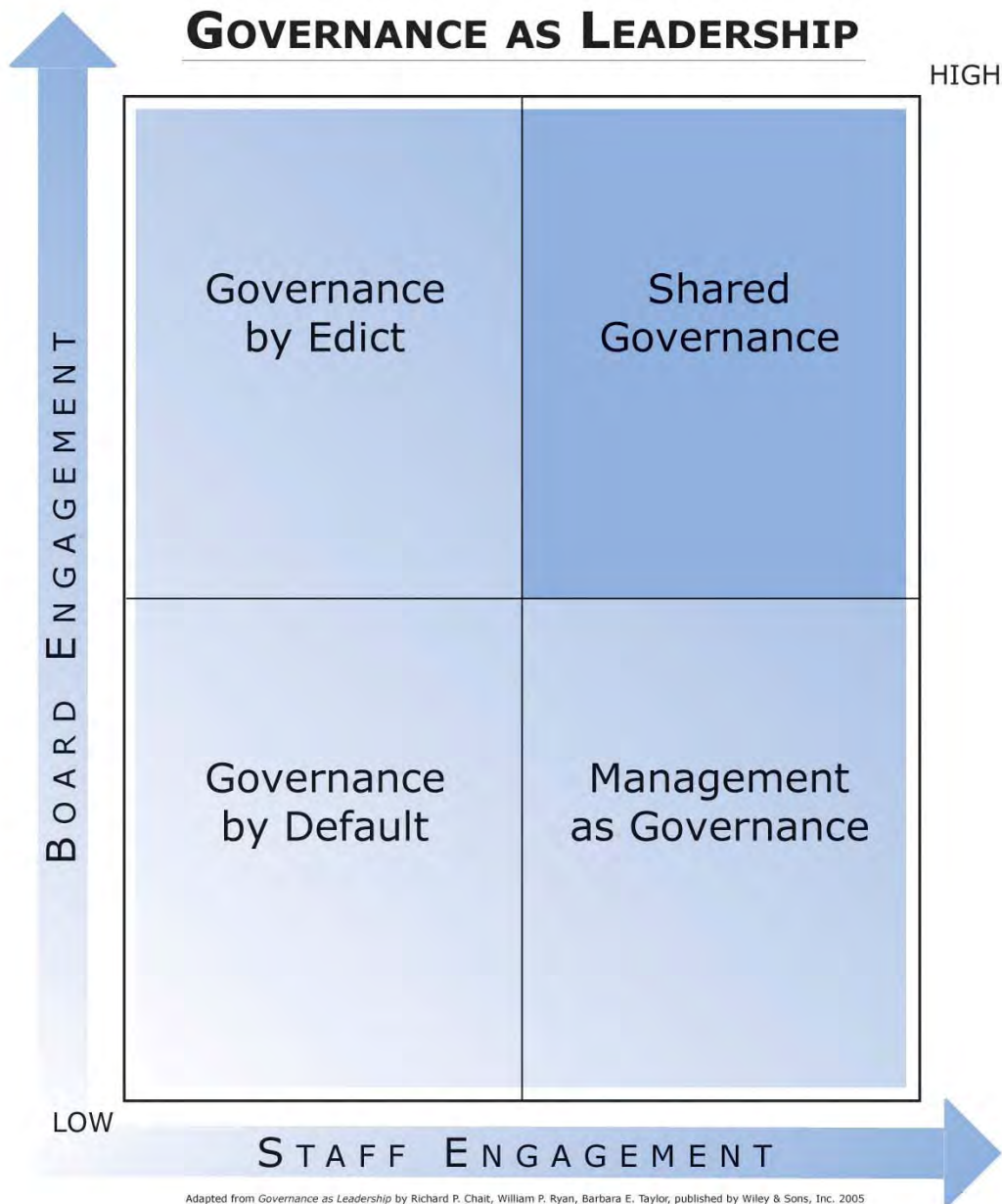
- What “ah-ha!” did you have, from completing this assessment?

- Which of the five elements are ‘best practices’ in your organization?

- Which elements do you need to explore further?



Shared Model of Governance





Examining Vision, Mission, & Values

Insert your organization's current vision/mission statement:

-
- Do you find this statement personally inspiring?
 - Can you envision this vision and mission being as valid 100 years from now as it is today?
 - Does the statement help you think expansively about the long-term possibilities and range of activities your organization can consider over the next 100 years, beyond its current services, programs, and strategies?
 - Does the statement help you decide what activities to *not* pursue, to eliminate from consideration?
 - Is this vision/mission authentic – something true to what your organization is all about – not merely words on paper that sound nice?
 - Would this statement be greeted with enthusiasm rather than cynicism by a broad base of people in your organization?
 - When telling your children and/or other loved ones what you do for a living, would you feel proud in describing your work in terms of this vision or mission?



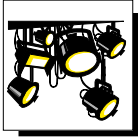
Core Values

Values provide a guide to decisions and embellish on our basic organizational beliefs. Looked at another way, values show what we hold near and dear. They are a way of life, setting the tone for the organization and compelling management decisions.

Core values require no external justification; they have intrinsic value and importance to those inside the organization. We should not change core values in response to external changes; rather, we should change strategies, if necessary, to remain true to our core values.

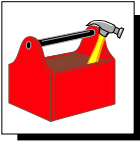
Take a minute to think about the core values for your organization and list them below:

Core Value:		
Question	Yes	No
1. If you started a new organization, would you build it around this core value, <i>regardless</i> of the industry?		
2. Would you want your organization to continue to stand for this core value 100 years into the future, no matter what changes occur in the outside world?		
3. Would you want your organization to hold this core value, even if at some point in time it became a competitive <i>dis</i> advantage – even if in some instances the environment penalized the organization for living this core value?		
4. Do you believe that those who do not share this core value – those who breach it consistently – simply do not belong in your organization?		
5. Would you personally continue to hold this core value even if you were not rewarded for holding it?		
6. Would you change jobs before giving up this core value?		
7. If you awoke tomorrow with more than enough money to retire comfortably for the rest of your life, would you continue to apply this core value to your productive activities?		



Strategic Planning Steps

1. **Assess** the current situation
 - SWOT Analysis (Strengths, Weaknesses, Opportunities, Threats)
 - Community and stakeholder feedback (surveys, interviews, questionnaires)
2. **Identify key issues**. Key issues can be described as “the need to do or have ...”.
When prioritizing Key Issues, consider:
 - urgency
 - resources needed (time, costs, etc.)
 - feasibility
 - desirability
 - usefulness
 - potential impact on mission
3. **Develop goals**. Based on the Key Issues already identified, the goals in your strategic plan describe a desired outcome, and provide general direction for developing specific strategies.
4. **Devise strategies** for achieving your organization’s goals. Strategies articulate the best use of resources to achieve the goals of the organization.
5. **Create action steps (tactics)**. Action plans are specific steps you must take to execute your strategies. Action plans detail **who** will do **what** by **when**. They also:
 - are realistic with respect to the abilities and the potential of the people involved and to the environment in which the objectives will be met
 - carry built-in evaluation that is stated in measurable terms
 - identify the resources needed (e.g.: time, training, equipment, money, materials, people)
6. **Establish a review mechanism** for making ongoing adjustments and improvements. This requires having regular updates (monthly/quarterly) to measure progress toward the goals.



Strengths, Weaknesses, Opportunities, Threats

SWOT Interplay

MAJOR OPPORTUNITIES

- 1
- 2
- 3
- 4
- 5

MAJOR THREATS

- 6
- 7
- 8
- 9
- 10

PRIMARY STRENGTHS

- A
- B
- C
- D
- E

Invest: Clear matches of strengths and opportunities lead to comparative advantage.

Defend: Areas of strength matched by areas of threat indicate a need to mobilize resources.

PRIMARY WEAKNESSES

- F
- G
- H
- I
- J

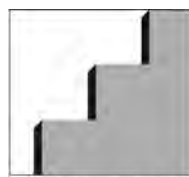
Decide: Areas of opportunity matched by areas of weakness require a judgement call: invest or divest.

Damage Control: Areas of threat matched by areas of weakness indicate need for damage control.



Recommended Reading List

- Begging for Change, by Robert Egger, HarperCollins (www.harpercollins.com)
- Boards That Make a Difference, by John Carver, Josey-Bass 2nd Ed.
- Self-Assessment Tool for Non-Profit Organizations, by Peter Drucker, The Peter Drucker Foundation for Non-Profit Management
- Welcome to the Board, by Fisher Howe, Josey-Bass
- The Nonprofit Answer Book: Practical Guide for Board Members and Chief Executives, by Andringa and Engstrom (available through Boardsource.org)
- The Nonprofit Answer Book II: Beyond the Basics, by R. Andringa, (available through Boardsource.org)
- Called to Serve: Creating and Nurturing the Effective Volunteer Board, by Max De Pree
- Governing Boards by Cyril O. Houle
- Beyond Profit by Fred Setterberg and Kary Schulman
- The Nonprofit Organization: An Operating Manual by Thomas Wolf
- The Knowing-Doing Gap by Jeffery Pfeffer and Robert Sutton
- Governance as Leadership by Richard Chiat, William Ryan, Barbara Taylor
- Fundraising for Non-Profits by P. Burke Keegan, Harper-Collins (www.harpercollins.com)



NEWLEVEL
G R O U P

Take the Next Step

About NewLevel Group...

Who we are

NewLevel Group is a values-driven consulting firm supporting the work of socially responsible organizations and their leaders in advancing missions that benefit people, profits, and planet.

Our team is made up of seasoned professionals who look at challenges from various perspectives honed from decades of experience in the business and nonprofit sectors. We plan as well as implement, never losing sight of our goal to deliver your desired results.

What we do

First and foremost, we listen. We listen to you, your board, your clients, and your colleagues to fully understand the challenges you face. Then, we form a team that will partner with you to identify your goals, outline strategies to achieve them, and, if needed, work with you to implement the tactics.

How we do it

Our approach to helping organizations improve their results reflects our shared values of collaboration, commitment, and community. We are different from other consulting and management firms in several significant ways:

- We work collaboratively; not just treating symptoms, but finding solutions for the underlying causes.
- We implement; we don't just create pretty plans, but roll up our sleeves to get the job done.
- We're focused on results; a good process is important, but the outcome is what really matters.

Supporting the work of social impact organizations and their leaders in advancing missions that benefit people, planet, and profits

Strategic Planning • Marketing & Communications • Research • Sustainability • Meeting Facilitation • Management & Governance Development • Organizational Effectiveness • Nonprofit and Foundation Management

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