

Strategic Planning 201

Board's Role in Aligning Your Strategic Plan,
Business Plan, and Mission



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Recap: Board's Role in Strategic Planning

› Simple premise

- › Strategic Planning is done every year covering a three-year period.
- › As the first year is completed, a new third year is added. Always three years in view.

› Clear benefits

› Good process



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Recap: Board's Role in Strategic Planning

> Clear benefits

- > Works well for most boards and Executive Directors
- > Functions well in simple and complex settings.
- > Collaborative
- > Drives strategic thinking and planning into the culture of the organization
- > Focused
- > Communicates well



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Recap: Board's Role in Strategic Planning

> Good process components

- > Mission, vision, and values
- > Our customers and what they value
- > Environmental scan
- > SWOT analysis
- > Trends (internal & external)
- > Assumptions
- > Visionary priorities
- > Top three to five goals for year one
- > Narrative building
- > Board and senior team goals and dashboards
- > Rolling three-year strategic plan document
- > Updating process



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Board's Role in Strategic Planning

Board as Staff	Board as Managers	Board as Directors	Board as Governors	Board as Advisors
Legal responsibility resides with the board	Legal responsibility resides with the board	Legal responsibility resides with the board	Legal responsibility resides with the board	Legal responsibility resides with the board
Reasons for organization to exist are determined by the board	Reasons for organization to exist are determined by the board	Reasons for organization to exist are determined by the board	Reasons for organization to exist are determined by the board	Reasons for organization to exist are determined by the executive director
Organizational long-term goals are set by the board	Organizational long-term goals are set by the board	Organizational long-term goals are set by the board	Organizational long-term goals are set by the executive director	Organizational long-term goals are set by the executive director
Strategies to achieve organizational long-term goals are developed by the board	Strategies to achieve organizational long-term goals are developed by the board	Strategies to achieve organizational long-term goals are developed by the executive director	Strategies to achieve organizational long-term goals are developed by the executive director	Strategies to achieve organizational long-term goals are developed by the executive director
Day-to-day operational authority rests with the board	Day-to-day operational authority rests with the executive director	Day-to-day operational authority rests with the executive director	Day-to-day operational authority rests with the executive director	Day-to-day operational authority rests with the executive director
The board spends most of its time DOING the work of the organization	The board spends most of its time SUPERVISING the work of the organization	The board spends most of its time DIRECTING the work of the organization	The board spends most of its time GOVERNING the work of the organization	The board spends most of its time AFFIRMING the work of the organization
Primary board output is LABOR	Primary board output is COORDINATION	Primary board output is DIRECTION	Primary board output is COUNSEL	Primary board output is ENDORSEMENT

- ▶ Board responsibilities
- ▶ Executive director responsibilities



These vary based upon which type of board you have. Adapted from R. Terrence Jackson (C) 2004



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Board's Role in Aligning the Strategic Plan, Annual Operating Plan, and Mission

- › Promise: **Why** we exist
- › Mission: **What** we do
- › Annual Operating Plan: **How** we operate
- › Strategic Plan: **Where** we are going



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Steps for Strategy Formation



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Starting Strategy Formation

- › Strategy Formation is about making choices and deciding on an organizational focus
 - › It positions your organization for greater impact
- › Sound Strategy Formation answers many *essential* questions.
 - › Every board needs answers for these questions



Strategy Formation Questions

- › Why does our organization exist today?
- › What are the contributions we make and to whom?
- › Is everything we provide still needed?
- › Are these needs stable, growing, or declining?
- › Are other organizations meeting these needs?



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Strategy Formation Questions

- › What is our organization’s position in the current service environment?
- › Is our organization in the best possible position in the current environment?
- › How will our service environment change in the next three years?
- › What is our desired position in the future service environment?
- › What needs to change or happen for us to reach our desired position in the future service environment?



Organize Your Effort

- > Strategy Formation questions are complex and will take time and effort to answer well
 - > Insist on thoughtful, in-depth, and clear responses
 - > Choose a method to guide the development of responses and answers
- > We would like you to consider one method we think works well for Strategy Formation - ***Narratives***



Narratives – Benefits

- Summary in nature
 - High level, not overly detailed
- Sets context well
- Tells a story that is easy to connect with



Narratives – The Process

- › Gather the right people
- › Research the Narrative Topic
- › Garner agreement on research findings
- › Write a draft narrative
 - › Assign 1 or 2 people to do this
- › Finalize narrative



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The “Purpose” Narrative

- › Why does our organization exist?
- › What is our organization’s promise?



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Current “Service Environment” Narrative

- › Is what we provide still needed?
- › Is that need growing, stable, or declining?
- › Who else is meeting these needs?



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Our “Current Position” Narrative

- › What is our organization’s position in the current environment?
- › Is our organization positioned for success in this environment?
 - › Explain “why” or “why not”.



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Our “Future Service Environment” Narrative

- › How will the service environment change in the next 3 years?
 - › What are we basing these observations on?
 - › Be comprehensive in your review (any and all ways).



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Our “Future Position” Narrative

- › What will our desired position be in the future service environment?
 - › “Preferred Future”



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What Needs to Change?

- > What needs to change for us to reach our desired position in the environment 3 years from now?
 - > Create a working list of needed changes.



Focused Priorities

- › Prioritize the “what needs to change” list.
 - › Consider impact and resource needs.
- › Focus on the top 5 strategic priorities to guide planning.



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ARE ANY ACTION ITEMS IN THIS SECTION A CANDIDATE FOR THE TOP 5 STRATEGIC NEXT STEPS?

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Planning the Path to Execution



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Rolling Three-Year Plan: Phase 1

- › Promise: Describe **WHY** the organization exists
- › Mission: Describe **WHAT** the organization does
- › Future Direction: Describe **WHERE** the organization is going
- › Values: Describe **HOW** the organization will conduct itself in pursuit of the mission
- › Tag Line or Slogan: Unique identifier of the organization that speaks to the promise



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Rolling Three-Year Plan: Phase 2

› Strategic Next Steps:

- › Focus priorities of the organization over the next three years
- › Reviewed and updated annually

› *Recommendation: Limit the organization to 5 strategic next steps in any one year.*



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Rolling Three-Year Plan: Phase 3

Strategic Next Steps	Year 1 Goals	Year 2 Goals	Year 3 Goals	Year 4 & Beyond Goals
#1				
#2				
#3				
#4				
#5				



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Using, Evaluating, and Updating the Plan



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Using the Plan: Implementation

- › Monthly written report from the Executive Director to the board
- › Progress/challenges discussed with staff at least monthly
- › Progress/challenges discussed with the board at least twice a year, if not quarterly
- › Adjustments based on new information



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Reviewing & Updating the Plan

- › Monthly Review of Plan
 - › How is performance against the plan?
 - › What adjustments need to be considered?
- › Semi-Annual Plan Updates
 - › What are the recommendations for plan changes?
 - › Assumptions, Narratives, Strategic Priorities
 - › Approved by the board
- › Tied to the board-approved annual budget



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Spoiler Alert

A plan is only as effective as its
updating process



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ARE ANY ACTION ITEMS IN THIS SECTION A CANDIDATE FOR THE TOP 5 STRATEGIC NEXT STEPS?
