

FIELD GUIDE TO NONPROFIT STRATEGIC PLANNING AND FACILITATION

Fourth Edition

By Carter McNamara, MBA, PhD



**AUTHENTICITY CONSULTING, LLC
MINNEAPOLIS, MN USA**

Copyright © 2007, 2018 Authenticity Consulting, LLC, Minneapolis, Minnesota.

All rights reserved. No part of this book may be reproduced or transmitted in any form or by any means now known or to be invented, electronic or mechanical, including photocopying, recording, or by an information storage or retrieval system without written permission from the author or publisher, except for brief inclusion or quotations for review.

For reprint permission, more information on Authenticity Consulting, LLC, or to order additional copies of this or any of our other publications, please contact:

Authenticity Consulting, LLC
4008 Lake Drive Avenue North
Minneapolis, MN 55422-1508 USA

+1.800.971.2250 toll-free
+1.763.971.8890 direct
<https://authenticityconsulting.com>

Trademarks

- öAuthenticity Circlesö, öFree Management Libraryö, öFree Nonprofit Micro-eMBAö and öFree Micro-eMBAö are service marks of Authenticity Consulting, LLC, Minneapolis, Minnesota.
- öAuthenticity Consultingö and öLeveraging the Power of Peersö are registered marks of Authenticity Consulting, LLC, Minneapolis, Minnesota.
- öLeaders Circlesö is a registered trademark of MAP for Nonprofits in St. Paul, Minnesota.

Credits

Cover design and illustrations by Erin Scott/Wylde Hare Creative, Woodbury, Minnesota.

Photographs © 2005 JupiterImages Corporation/Comstock.com, primary cover photo;

© Teri McNamara/Impressions & Expressions and © Erin Scott/Wylde Hare Creative, secondary cover photos.

Clip art by Nova Development Corporation Art Explosion 750,000 Images.

Printed by Graphic & Printing Services, Big Lake, Minnesota.

Manufactured in the United States of America

First Edition February 2003

Second Edition June 2003

Third Edition December 2007

Fourth Edition April 2018

Waiver of Responsibility

Various Web addresses are referenced in this book. The author and publisher have no legal responsibility or liability for the currency or accuracy of these Web addresses or the content at these addresses.

Information in this book is not to be considered as legal, tax and/or financial advice as if from an expert specifically in those areas. In-depth and technical advice needed in those areas should be obtained from professionals in those areas.

Publisher’s Cataloging in Publication Data

McNamara, Carter, 1953 -

Field Guide to Nonprofit Strategic Planning and Facilitation / by Carter McNamara

ISBN 1-933719-32-X

ISBN 978-1-933719-32-0

1. Strategic planning. 2. Nonprofits. 3. Facilitation. I. Title



Mixed Sources
Product group from well-managed
forests and other controlled sources

Cert no. SW-COC-004306
www.fsc.org
©1996 Forest Stewardship Council

Table of Contents

Table of Contents	i
Table of Figures.....	v
Introduction	vii
Focus of this Field Guide	vii
Audiences for this Field Guide	vii
Updates in this Fourth Edition.....	viii
How to Use this Field Guide	viii
Worksheets and Tools That You Can Download	xii
About the Author	xiii
About Authenticity Consulting, LLC.....	xiii
Acknowledgments	xiv
PART I: UNDERSTANDING STRATEGIC PLANNING.....	1
Overview of Strategic Planning	3
What Is Strategic Planning?	3
Analogy to Understand Strategic Planning	3
What Does “Strategic” Mean?.....	3
All Else Flows from Strategic Planning in Your Nonprofit	5
Major Benefits of Strategic Planning.....	5
Nonprofit Compared to For-Profit Strategic Planning.....	6
Relevant, Realistic and Flexible Strategic Planning	9
Strategic Planning Framework	9
Traits of Any Strategic Planning Process.....	10
What Strategic Planning Will Not Do For You	11
Myths About Strategic Planning.....	11
Three Criteria for Effective Strategic Planning and Plans	12
How Can You Ensure That the Planning Process Suits Your Culture?	13
When Should Regular Strategic Planning Occur?	13
Typical Costs of Strategic Planning.....	14
Eighteen Tips to Enhance Your Strategic Planning	16
To Learn More About Strategic Planning	18
PART II: CONDUCTING STRATEGIC PLANNING.....	19
Phase 1: Design Your Planning Process	21
Are You Really Ready for Strategic Planning?	21
Organize Your Strategic Planning Committee Now	24
Why Are You Doing Strategic Planning Now?.....	26

What Is the Primary Focus of Your Planning?	27
What Strategic Planning Approach (Model) Might You Use?	28
How Might You Implement that Strategic Planning Model?	36
What Is the Time Span of Your Plan?	38
What Is Your Schedule for Developing Your Plan?	39
Who Will Be Involved In Your Planning? How? When?	42
Who Will Facilitate the Planning?	44
Will You Need Other Outside Help? How? When?	45
What Materials Will You Need? When?	46
What Conventions Will You Use for Various Terms in Planning?	46
What Will Be in Your Planning Guide for Your Planners?	48
What Will You Include in Your Organizational Profile?	48
How Will You Get “Buy In” to Your Planning Process?	49
How Will Your Planners Be Trained About Your Planning?	50
How Much Will Your Customized Strategic Planning Cost?	51
Phase 2: Conduct Your Situational Analysis	53
Crossroads: Do the Mission Statement or the Situational Analysis First?	53
Analyze Your External Environment ó What You Cannot Control	55
Analyze Your Internal Environment ó What You Can Control	62
Crossroads: Identify Your Strategic Issues or Establish Your Strategic Goals Now?	69
Phase 3: Establish Your Strategic Direction	75
Develop Your Mission, Vision and Values Statements	75
Ensure Strategic Thinking When Identifying Your Goals and Strategies	84
Establish Your Strategic Goals Now?	89
Identify Your Strategies Now?	93
How Can Your Organization Position Itself?	96
Phase 4: Develop Your Action Plans	97
Do Not Forget to Consider Your Current Work Load	98
Develop Your Action Plans	99
Finalize Your Action Plans ó Integrate and Reality Check	104
Develop Any Performance Plans Now?	106
Develop a Staffing Plan Now?	106
Develop Any Other Associated Plans Now?	107
Develop Your Operating Budget Now?	110
Phase 5: Develop Your Strategic Plan Document	114
Draft Your Strategic Plan Document	114
Coordinate the Reviews and Approval of Your Plan	117
Distribute and Communicate Your Plan	118
Celebrate the Completion of Your Plan	118
Phase 6: Monitor Implementation and Adjust Your Plan	120
Monitor the Implementation of Your Plan	120
Use Effective Leadership, Supervision and Delegation	120
Ensure the Implementation of Your Plans	122
Track the Status of the Implementation of Your Plan	124
Adjust Your Plans As Needed	126

PART III: FACILITATING STRATEGIC PLANNING	127
Getting Started as a Facilitator	129
Crossroads: Read First About Strategic Planning or About Nonprofits?	129
Understand What a Strategic Planning Facilitator Does	129
Understand Yourself as a Facilitator	130
Learn to Work with Diversity	133
Methods to Understand the Culture of the Organization	134
Clarify the Expectations Between You and Your Planners	137
Develop a Facilitation Contract With the Nonprofit Organization	138
Establish the Criteria to Evaluate the Planning Project	138
Common Techniques in Facilitation	142
Overview of Common Techniques and Their Applications	142
Challenges in Facilitating Strategic Planning	155
How to Ensure Strategic Meetings Remain Strategic and Focused	155
When Do You Facilitate, Coach or Train?	156
What If the Board Is Not Ready for Strategic Planning?	158
How to Enhance Your Group's Participation	159
How to Manage Group Conflict and Come to Decisions	161
How to Get Your Group of Planners Unstuck	162
How to Deal With Resistance from Your Planners	163
APPENDICES	165
Appendix A: Glossary	167
Appendix B: Free Resources for Nonprofit Development	173
Free Management Library SM	173
Free Nonprofit Micro-eMBA SM Organizational Development Program	174
Organizations Assisting Nonprofits	175
Free, On-Line Newsletters and Forums	176
Direct Sources of Information About Nonprofits	176
Appendix C: Tools to Examine the Inside of Your Nonprofit	179
How to Select the Best Assessment Tool	179
Example of an Organizational Assessment Tool	181
Appendix D: Tools to Examine the Outside of Your Nonprofit	195
Planning Your External Research	195
Overview of Methods to Collect Data	197
General Sources of Information About Nonprofits	199
Appendix E: Getting and Working With Consultants	201

Appendix F: Nature of Typical Nonprofit Organizations.....	207
Nature and Features of Small Nonprofits	207
Organization Chart of Typical Start-Up Nonprofit	210
Organization Chart of Typical Small Nonprofit With a CEO.....	211
Organization Chart of Typical Medium-Sized Nonprofit.....	212
What Does a Healthy Board Look Like?.....	213
Typical Cycle of Operations in Nonprofits.....	214
Types of Nonprofit Program Services and Configurations.....	216
Appendix G: Worksheets	217
Worksheet #1: Designing Your Planning Process.....	219
Worksheet #2: Analysis of Your Clients	244
Worksheet #3: Analysis of Your Competitors	246
Worksheet #4: Analysis of Your Collaborators	248
Worksheet #5: Analysis of Your Other Stakeholder Groups.....	249
Worksheet #6: Analysis of Your External Trends.....	251
Worksheet #7: Listing of Your Opportunities and Threats.....	254
Worksheet #8: Analysis of Your Internal Operations	255
Worksheet #9: Listing of Your Strengths and Weaknesses	257
Worksheet #10: Listing of Your Strategic Issues.....	258
Worksheet #11: Drafts of Your Mission, Vision and Values Statements.....	259
Worksheet #12: Listing of Your Strategic Goals	263
Worksheet #13: Listing of Your Strategies.....	264
Worksheet #14: Draft of Your Value Proposition.....	265
Worksheet #15: Drafts of Your Action Plans	266
Appendix H: Tools to Help You Identify Goals and Strategies	267
Tool #1: Guidelines to Rational Problem Solving and Decision Making.....	269
Tool #2: Guidelines to Organic Problem Solving and Decision Making	272
Tool #3: Models and Tools for Analyzing Information.....	273
Tool #4: Strategies to Solve Problems in Nonprofit Organizations	275
Tool #5: Basic Strategies to Guide Successful Organizational Change	280
Recommended Readings – an Annotated List.....	285
Index.....	289

Table of Figures

Figure I.1: An Analogy to Strategic Planning	3
Figure I.2: For-Profit and Corresponding Nonprofit Terms	6
Figure I.3: Life Cycle of Organizations and Programs	7
Figure I.4: Sample Calendar of Annual Activities in a Nonprofit Organization	15
Figure II.1: Summary of Major Approaches to Strategic Planning for Nonprofit Organizations.....	35
Figure II.2: Example of Brief Conventional Strategic Planning Format and Schedule	41
Figure II.3: Typical Terms Across Different Plans.....	47
Figure II.4: Example of Opportunities and Threats Information	59
Figure II.5: Example of Strengths and Weaknesses Information	66
Figure II.6: Example of Strategic Issues	71
Figure II.7: Example of a Values Statement.....	82
Figure II.8: Example of Goals and Strategies Information	88
Figure II.9: Example of Action Plan Information.....	100
Figure II.10: Source of Action Plan Information.....	100
Figure II.11: Examples of Program Performance Plans.....	106
Figure II.12: Example of Staffing Plan	107
Figure II.13: Sample Operating Budget Format	113
Figure II.14: Sample Work Plan for a Board Strategic Planning Committee.....	123
Figure III.1: Sample Questionnaire to Support the Acculturating Process	135
Figure III.2: Sample Contents of a Facilitation Contract	140
Figure III.3: Common Techniques in Facilitation and Their Applications	143
Figure D.1: Comparison of Primary and Secondary Sources of Data.....	197
Figure D.2: Overview of Methods to Collect Data.....	198
Figure F.1: Organization Chart of a Typical Start-Up Nonprofit	210
Figure F.2: Organization Chart of a Typical Small Nonprofit With a CEO.....	211
Figure F.3: Organization Chart of a Typical Medium-Sized Nonprofit.....	212