Developing a Useful Strategic Plan:

Practical Advice before Starting the Process

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This document is a work in progress. Any feedback or suggestions for improvement are welcome.

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Introduction

Strategic planning processes are essential for clarifying, focusing, and generating consensus around the mission, the work, and the values of an organization. However, these processes often take significant time and effort and, unfortunately, all too often the final strategic plan fails to provide appropriate guidance for the organization's activities. The purpose of this brief article is to offer some practical tips on carrying out a productive strategic planning process. If planning is undertaken with external support, we hope this piece will help steer and enrich eventual conversations with consultants (including of the terms of reference). For those who are interested, we offer a brief step-by-step methodology for a strategic planning process, including suggested content and sequencing.

Key Components of a Strategic Plan[1]

The core function of a strategic plan is to provide clarity and focus to the organization's ***mission***, to specify the group's ***added value or niche***, and to identify ***expected outcomes*** –that is, what the organization wishes to achieve during the planning timeframe (usually three or five years; after planning, these outcomes are materialized into annual operational plans with concrete one-year outcomes and activities).

These three elements –mission, niche, and expected outcomes– are essential for providing strategic guidance.

Mission. The mission must clearly convey what the organization wishes to achieve and the main way in which it will accomplish this change. The mission should drive all of the organization's work and inspire its members, capturing the organization's spirit and nature. The mission usually includes two elements: "the core purpose" –the *raison d'être*– and "the core strategic approach" –the central way or methodology that is used to achieve the purpose.[2]

Niche. The added value, or niche, explains the role and the unique and special contribution that no other organization can offer toward the accomplishment of a long-term outcome.

Expected outcomes. It is important to identify ***long-term outcomes*** (for example, five or ten-year results) that will help to think big and to define the horizon towards which the organization should aim in the short- and medium-term. Long-term outcomes are broad and ambitious and do not depend exclusively on one organization.

1 Confusion sometimes arises about the difference between a strategic plan and a theory of change. While they are definitely related and share some elements in common, a theory of change is a set of hypotheses that explain how an organization believes that the change it wants to make can come about, including the causal links between early, intermediate and long-term outcomes, and the underlying assumptions, for either a project or an organization. A strategic plan is a summary of an organization's mission, expected outcomes, strategies and basic activities, and how these relate to each other.

2 Gross Susan, with Robin Katcher and Neel Master, "Strategic Planning that Makes a Difference and that's Worth the Time," Management Assistance Group, Washington, DC. 2007.

The expected outcomes for the period covered by the plan are the most crucial results that the organization should accomplish over the next three or five years to advance toward its long-term outcomes. These are specific changes that guide the organization's work and the ultimate aim of all its activities. For each key outcome, it is essential to identify basic indicators that answer the question: How will we know that we have been successful? Since ideally outcomes should be measurable and verifiable, they are expressed as nouns rather than verbs (for example, the enactment and implementation of a certain law, versus contributing to the congressional debate about that law).

The plan should also make explicit ***strategies that are consistent with each other and with the expected outcomes***. This means that no outcome should lack appropriate strategies, and no strategy should be implemented if it is not linked to a particular outcome. Additionally, a strategic plan often includes all or some of the following elements: context analysis, the key problem that the organization seeks to address, an assessment of strengths, weaknesses, opportunities, and threats (SWOT), and an analysis of outcomes achieved to date. Appendix 1 offers a methodological approach for addressing these, including components and sequences.

The Process

The final strategic plan should be a useful reference that guides all of the organization's work. However, it is the process itself that generates awareness about the issues, shared understanding, dialogue, and agreements.

Participation. It is essential that the process be **as participatory as possible**, involving the Executive Director, program and administrative staff and, as appropriate, interns and volunteers. Broad and active participation contributes to ensuring that all team members understand how their actions fit within the wider institutional vision, and helps them take ownership of all the organization's work, not just their specific project, program, or task. Furthermore, this kind of participation may help to identify synergies among program areas, enhancing internal collaboration and communication and avoiding silos.

Boards of directors also have a key role to play in these processes, in order to fulfill their duty of providing strategic guidance. Depending on the size, development, and extent and type of involvement of the board and its relationship with the staff, board members may participate in the whole process or in different stages. At the very least, they must be notified before the process is started and updated at key moments as it unfolds. Toward the end, it is recommended to send them a draft document, soliciting comments, questions, or other specific contributions. In some cases, board members may be invited to participate in certain working sessions, setting up the discussion in such a way as to ensure that the staff is not inhibited by their presence.

Duration and intensity. It is important to ensure that the process is **sufficiently intensive and extensive to enable broad and deep discussions**, and to guarantee that everyone has been able to express their opinions and address their doubts. At the same time, **it is important to maintain a delicate balance between strategic planning and the staff's daily workload.**

To avoid losing momentum and to have a timely final document, the process should not unduly interfere with the work nor take too long. In fact, these efforts may be structured in such a way so that staff will avoid getting tired of strategic planning and, at the same time, deem the exercise valuable for their substantive work.

Depending on the size and complexity of the organization, there are various ways of dividing up the process and ensuring staff participation at different moments throughout (for example, opening and closing sessions with everyone's participation; working sessions with smaller groups, by program area and/or by position, i.e., directors, coordinators, etc.). This approach allows for ideas to sink in and for developing or revising certain elements of the plan along the way. In general, we suggest a **process that goes beyond a one or two-day "retreat," but that does not last longer than six months.**[3]

Development of background documents and final strategic plan. In some cases, it might be useful or necessary to develop documents by program or area as input into plenary session discussions. To this end, it is helpful for **each program or area to designate a staff member that can generate or edit the text**, so that others may participate reviewing and discussing "good drafts." Ideally, the final strategic plan should be a joint effort among the Executive Director, other staff members, and the external consultant, if there is one.

Outstanding issues. Often, planning processes are moments of deep, sometimes postponed, reflection during which **different concerns, ideas, or complaints may emerge**. To ensure that these are neither put off, nor take over the planning process, it is useful to create a **"parking lot."** This is a running list of issues that come up but that should be addressed at a different time or in a different setting. It is key to designate a person to follow up on them at a later time, thus streamlining discussions and giving participants peace of mind.

External communication. Since strategic planning often involves modifying the organization's approach or focus of its activities –at the same time that it represents a significant institutional accomplishment– it is essential to communicate its end result externally. We suggest **identifying the various target audiences with whom to share the plan** (along with a timeframe); for example, funders, the board of directors, organization members (if applicable), partners, consultants, volunteers, and other collaborators or counterparts. This type of external communication is usually the responsibility of the Executive Director.

Concluding and celebrating. In order to finish in a timely and effective manner, **it is crucial to have one person in charge of the process**. This individual may be a staff member or an external consultant, responsible for bringing the process to a close and ensuring that there is a solid final document. Also, **it is important to take a moment to acknowledge and celebrate what was accomplished, and to clarify expectations about the plan's implementation, follow-up, and updates.**

A living document. **The strategic plan should be a "living document," subject to modifications or additions through periodic reviews;** for example, once a year when developing the annual operational plan, or in cases of significant changes in the context, board of directors, or executive leadership. It is important to agree from the beginning as to how and when the plan will be updated and who will be in charge of follow-up (for example, the staff member responsible for institutional development or the Executive Director).

3 If opting for a "retreat," it is important to establish other steps before and after to complement what is discussed during this session. For example, an organization may choose to develop analytical documents by program area and distribute them widely before (as background), as well as circulate the full draft of the plan after the retreat (incorporating any joint decisions made) in order to integrate everyone's contributions.

Working with external consultants

At times, an organization's leadership may use an external consultant to co-design the process, propose a methodology, facilitate discussions, follow up on the different agreed upon steps, and develop a draft of the final document to be reviewed by the Executive Director and/or board of directors.

When working with a consultant, it is important to clarify from the start mutual expectations, the process, the timeframes required (for the process in general and for the staff's preparation between meetings), and expected products. Moreover, it is essential to learn about the consultant's style, values, and approach through references from colleague organizations, funders, and others. Most importantly, organizations should ensure that the process will address their mission, added value, expected outcomes and the consistency between the latter and the organization's strategies. This may help avoid a major weakness of many planning processes: the failure to address –or address adequately—the organization's niche and expected outcomes.

We also suggest considering the following points:

- If the organization has conducted strategic planning exercises before, it may be useful to discuss and assess them, thinking about what worked and what did not, and applying lessons learned to the current process.

- If developing a theory of change will be part of the planning process, ensure that the consultant and the Executive Director discuss and agree from the start upon its contents, the process for creating it and what the nature of the final product. The document **"Suggested Guidelines for Creating a Theory of Change"** may provide some guidance for this discussion.[4]

- Carefully consider the need to conduct previous interviews –including their objectives and usefulness– and balance these individual conversations with sufficient time for group discussions that allow for a deep and fruitful exchange among the staff.

- Agree upon the time that will be dedicated to team discussions, ensuring that it is neither too short nor too long.

- Reach consensus with your consultant on any background materials that the staff should prepare in advance, in order to take full advantage of time for plenary discussions (for example, documents by program area, context analysis, etc.).

- In case you deem it useful, request that the process include any part of the following guide, or any other component or step that you consider necessary for your organization.

4 Available at http://www.hewlett.org/library/hewlett-foundation-publication/suggested-guidelines-creating-theory-change.

Common Strategic Planning Pitfalls[5]

We hope this article will help you avoid them!

1. Finish the process without having defined and come to agreement on the organization's expected outcomes, for example, identifying activities and strategies without results.

2. Think short-term or only about the work that the organization is already doing. Some organizations have difficulty thinking beyond the thematic focus and logic of each program area to reflect on what the organization should achieve as a whole.

3. Fail to clarify the mission and the organization's specific role and value added, its niche.

4. Over-commit, avoiding difficult discussions and decisions regarding what the organization will no longer do or take on.

5. Exclude important voices from the process in one or more of the stages (be it administrative staff, board, or other members of the organization).

6. Shelve the plan and disregard it, so that the plan is not used, monitored or updated to guide the organization's work and improve its chances of meeting its goals.

With careful preparation, a positive attitude, committed leadership, a clear vision of what is expected of the process, and appropriate external support when needed, strategic planning can be an extremely valuable, enriching, and useful exercise for all members of an organization.

5 Adapted from "Strategic Planning that Makes a Difference and That's Worth the Time," by Susan Gross with Robin Katcher and Neel Master, Management Assistance Group, Washington, DC. 2007.

Appendix 1: A Step-by-Step Guide to Suggested Components of Strategic Planning

Here we suggest a basic methodology for a strategic planning process, including the issues to address, elements to include, and a possible sequence for the discussions.

1. Brief Analysis of Context

This analysis represents an opportunity to take a step back from current activities and review the key aspects of the context that will impact the organization's work during the period covered by the plan. This should not be an explanation of current work, but rather a general reflection that goes beyond the organization's activities. For example, you may consider the following:

- Existing or new trends around the organization's programmatic issues
- Key political actors who have the will and/or decision–making power around the organization's programmatic issues; to whom or what do they respond?
- Actors and factors that advocate for or against the organization's short, medium, and long-term expected outcomes
- Key moments when it is estimated that the issue/s will gain significant attention, and related opportunities and challenges
- Principal expected difficulties and opportunities to make progress toward the desired outcomes
- Public opinion around the issue, and the most difficult or advantageous moments for the organization to make a difference (this implies exploring the communication strategy)

2. The Key Problem and Its Principal Causes

Please identify the key problem that the organization seeks to address and its principal underlying causes, understanding that the organization is one of many necessary actors to solve it. You may reflect on and include the following points:[6]

- The key problem/s in one sentence or paragraph, summarized in a phrase.
- A short rationale about the problem (Why does the organization work on this problem and not others –because of its scope, present trends, etc.?).
- Main causes, ideally in bullet form, or in no more than a paragraph.

6 In some cases, the organization may work at national and international levels. In that case, you may choose more than one key problem and/or one key problem at the national level and another one at the international level.

3. Highlights and General Assessment of the Organization's Work in the Previous Three Years[7]

What were the most important achievements, what has worked, and what needs some adjustments in the next period? We suggest doing a broad inventory, including strategies and principal activities. This analysis need not be overly in-depth, but it should provide a solid general overview of the organization's programmatic logic to date, aimed at helping decide whether and what changes need to be implemented. A critical reflection about the past may lead to a more strategic determination of outcomes to seek in the future.

4. Long-term Outcomes (five to ten years) to Reverse the Problem

What does the organization seek to accomplish in the next five to ten years, in collaboration with other organizations? What accomplishments/outcomes in the next five to ten years would make you feel as though the organization has been successful? These longer-term outcomes do not depend exclusively on one organization, but they do help to define a horizon towards which to aim in the short– and medium–term. Since outcomes should, if possible, be measurable and verifiable, they should be expressed in the form of nouns rather than verbs. Ideally there should not be more than three to five outcomes.

5. Role and Added Value of the Organization

We suggest reflecting upon the role and special and distinct contribution that the organization makes on its issues (its "niche") based on the following questions: What are the organization's distinguishing characteristics? What does the organization do that other groups do not do? What specific value does the organization add to the issue and to the work of other organizations?

6. Key Outcomes for the Following Three Years (or other period covered by the plan)

Ideally the organization will identify the three to five most critical outcomes that it can accomplish in the following period in order to make progress toward the long-term outcomes. The key outcomes should be some concrete change that is both desired and achievable.[8] It may help to think backwards: to achieve my long-term outcome, what has to happen immediately beforehand, and what has to happen just before that? These outcomes should be realistic vis–à–vis context, staff size,

7 You may choose a different timeframe, depending on the organization's lifespan and/or the period that you'd like to reflect upon. For example, if the organization was established five years ago, and it is planning for the first time, it might make sense to assess its activities since it was founded.

8 Examples of viable and verifiable outcomes:
- Certain actors make a commitment to enact a certain law
- Congress passes a certain reform
- The Executive branch adopts a certain new government policy
- A certain issue becomes part of the public debate with a rights-based perspective
- An alliance of organizations introduces and encourages discussions about a certain bill

Examples of outcomes that would not be included because they are hard to verify, or because they are more an activity, product, or strategy than an outcome:
- Certain actors understand the need to enact a certain law
- Contributing to a debate
- Undertaking a certain kind of research

programmatic priorities and commitments, and available and potential financial resources. This is a key moment to 1) bring greater focus to the work; 2) give direction to the organization's growth; and 3) organize and adapt the work according to available human resources. In general, this stage implies making difficult but extremely strategic decisions.

For each key outcome, it is important to identify indicators that can answer the following questions:

- What does success look like? How will we know we have accomplished our outcomes?
- How will we know that we are on the right path to doing so?

This type of reflection helps to clarify and specify outcomes. Additionally, it contributes to different monitoring and evaluation efforts, recognizing that key outcomes are medium–term, and that periodically it is useful to assess whether the organization is "on the right track" or adjustments are necessary. In any case, it is important to agree on what kind of information will be monitored, who will have the primary responsibility for doing so and how frequently, and how information will be analyzed and programs adjusted accordingly.

You may find the following table useful (to be integrated into a final table at the end of the process):

Key 3-year outcome	What does success look like? How will we know that we have achieved this outcome?	How will we know that we are on the right path?

7. Strategies

For each outcome, it is useful to discuss the strategies that the organization will carry out, in order of priority.[9] Strategies should take into account the key actors that can implement the changes that the organization is seeking, and how they may be influenced. In addition: is there any internal strategy needed for improving technical, methodological, or analytical capacity, conducting a mapping exercise, hiring a new staff member with certain expertise, consulting a board member, or bringing in a researcher to work on a certain issue?

Some questions that guide strategy definitions are: What exactly does the strategy contribute to the desired outcome? Why this strategy and not a different one? Are there creative elements in these strategies or do they represent more of the same? If the strategies represent more of the same, why is the organization staying on this path? If relevant, you may also choose to reflect upon any synergies that should be pursued among different programs or areas to optimize the work in pursuit of the identified outcomes.

And finally, it may be useful to think about and document what could go wrong with the selected strategies ahead of time. This is also known as a "pre-mortem:" instead of asking at the end what went wrong, here we ask in advance what could go wrong. It allows you to plan ahead and mitigate some of these risks.

9 Strategy is understood as the method or approach that is used to reach the desired outcome; for example, litigation, advocacy, communication, research, training, partnerships, etc.

8. Principal Activities for the First Year of the Strategic Plan

Some organizations may find it useful and necessary to reflect upon the most critical types of activities they will take on to move closer to their key outcomes, in order of priority, for the first year of the strategic plan. This should not be a detailed work plan outlining each activity, but rather a broad sketch of main organizational actions.[10] Each one should have someone in charge of following up in an agreed upon timeframe (for example, every three or six months). Additionally, you may choose to indicate whether an activity requires collaboration among different programs or areas and make sure to demarcate respective responsibilities.

This part of the strategic plan may easily be adapted into an annual operational plan and work plan for each staff member, by including greater detail and sharing it among the staff. It could also become an input for staff performance evaluations, based on jointly identified strategic priorities.

9. Funding

This is the moment to systematize and reflect upon current and approved funding, proposals presented, to be presented, or under discussion with the funder, and any new funding that may be required to reach the identified outcomes. This may serve as the basis for a fundraising strategy, while also allowing staff members to be conscious of the financial implications of their activities. You may find the following table useful:

Current and approved funding:

Funder	Amount	Dates	Issue Area	Comments

Proposals presented, to be presented, or under discussion with funder:

Funder	Amount	Dates	Issue Area	**Comments** (include probability of approval)

10 For example, a research study, a publication, or an opinion piece on a certain issue; meetings with legislators from a certain political party; systematizing a particular experience; a new training module; at least one workshop on a particular topic, etc.

10. Summary Table

Many organizations include a summary table at the end of the strategic plan (sometimes in lieu of these separate sections). Its purpose is to summarize and check for consistency of key outcomes, strategies, and principal activities; that is, to ensure that each outcome has strategies and principal activities that ensure its viability, and that there is no strategy or principal activity that is not aimed at a specific key outcome.

Key outcomes	**Strategies**	**Principal activities** (With names of staff in charge in parenthesis)	**What does success look like? How will we know that we have achieved this outcome?**	**How will we know that we are on the right path?**

11. Plan for Follow-Up

This section includes how the plan will be used as a "living document:" when it will be reviewed, modified, used for monitoring and evaluation, etc., including who will be in charge of the follow-up.

12. Reviewing or Defining the Mission

While in the final document the mission statement should appear at the beginning, we suggest working on it at the end, once there is consensus around the organization's expected outcomes and niche. The mission should convey the purpose and the *raison d'être* of the organization, the main strategies and ways of working, and the most distinctive elements of its identity.

To this end, you may want to conduct the following exercise as a group. Each staff and/or board member writes on a *post-it* note the word/s that she/he considers essential to the mission. Someone in charge of facilitating the exercise places all *post–its* on a wall for everyone to see, and groups those that repeat or have similar words. If there are too many different ideas, participants may vote to decide on the most essential. The facilitator then gathers the results and proposes a draft mission statement including the most agreed-upon points. He/she presents it during plenary discussion and/or distributes it soon after the session to obtain staff and eventually board feedback. It is usually the role of the Executive Director to incorporate everyone's feedback and develop the final version to be approved by the board of directors.

13. Conclusions

Often during planning, an organization may reach significant or unprecedented definitions and agreements that may not be obvious to an outside reader of the final strategic plan. Thus, it may be useful to have a brief concluding section for sharing planning process achievements and milestones, as well as any major decisions, including, for example, what new issue the organization decided to take on, what it will no longer work on, or what it will do differently.

Suggested Components of Strategic Planning:

01	Brief analysis of context
02	Key problem and its principal causes
03	Highlights and general assessment of the organization's work in previous years
04	Long-term outcomes to reverse the problem
05	Role and added value of the organization
06	Key outcomes for the period covered by the plan
07	Strategies
08	Principal activities for the first year of the strategic plan
09	Funding
10	Summary table
11	Plan for follow-up
12	Reviewing or defining the mission
13	Conclusions

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