

# Mission, Capacity, and Strategic Planning



**SUSTAINABILITY PLANNING FOR  
NONPROFITS**

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# Mission

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Mission answers the question of why the organization exists, and describes the needs the organization was created for. It drives the organization's day to day !

# Vision

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Vision describes the ideal future for the organization; creates a vision of what is yet to be accomplished.

# Sustainability

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## Definition---

*Keep in existence; supply with necessities, to support from below, to encourage, and to maintain completely.*

# Capacity

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Capacity according to dictionary—“Specific ability of an entity (person or organization) or resource, measured in quantity and level of quality, over an extended period.”

Availability of resources-

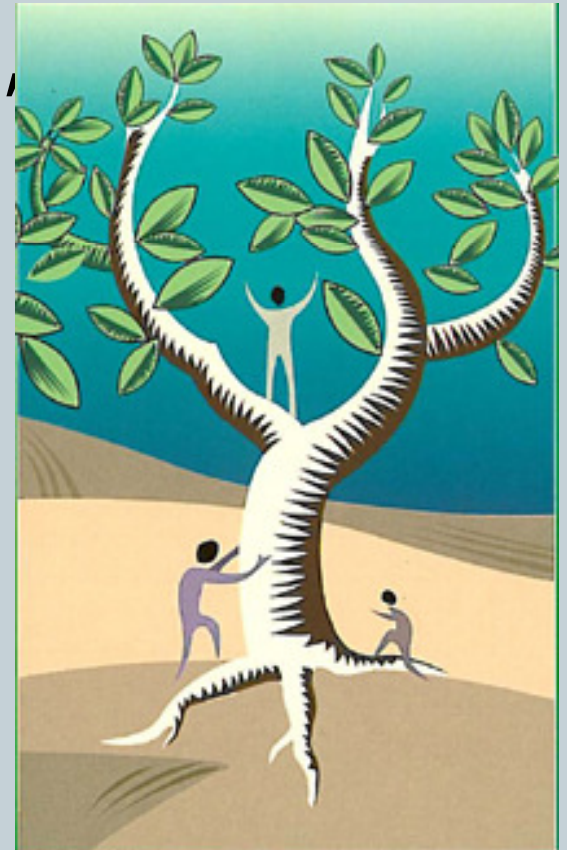
- Time
- People
- Skills
- Knowledge
- Abilities
- Money

# Capacity Building

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“ An organization’s core skills, management practices, strategies, and systems to enhance an organization’s effectiveness, sustainability, and ability to fulfill its mission.”

*Adapted from Social Venture Partners*



# Approaches to Capacity Building

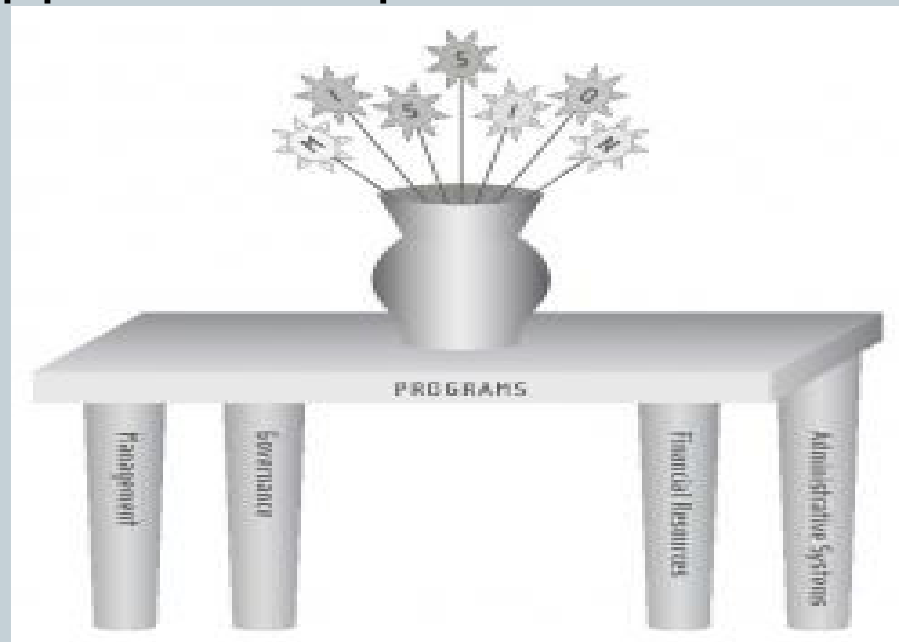
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- Strategic Planning
- Technical Assistance
- Systems Investments
- Team Building Sessions
- Management, Development and Financial Training
- Supporting Collaborations

# Capacity Building

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According to Susan Kenny Stevens, she defines capacity building in four “table legs” (management, governance, financial resources and administrative systems) that support a nonprofit’s mission and programs





# Five areas critical to nonprofit success

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- **Programs**—*Services Provided to Accomplish Goals*
- **Management**-*Board*
- **Governance**-*Executive Leadership/Staff*
- **Financial Resources**-*Fundraising and Financial Management*
- **Administrative Systems**-*Day to Day Operations*

# Seven organizational lifecycle stages of a nonprofit



SOURCE: [Nonprofit Lifecycles](#), Susan Kenny Stevens

# Seven organizational lifecycle stages of a nonprofit

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**Stage #1: Idea** -No formal organization and a personal mandate to fill a societal, programmatic or cultural gap in community.

**Stage #2: Start-Up**-Beginning stage of organizational operations but usually no formal governance, management, resources or systems.

**Stage #3: Growth**-Nonprofit mission and programs have taken hold but service demands exceeds current structural and resource capabilities.

**Stage #4: Maturity**-Organization is well-established, operating smoothly, and has a community reputation for providing consistently relevant and high quality services.

SOURCE: [Nonprofit Lifecycles](#), Susan Kenny Stevens

# Seven organizational lifecycle stages of a nonprofit

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**Stage #5: Decline** –Organization’s services are no longer relevant in the marketplace. Status quo decisions are made, and declining program numbers creates deficiency between operating income and expenses.

**Stage #6: Turnaround**-Organization decides to take pro-active actions to begin to restructure management, finances, operations, and marketing to become relevant again..

**Stage #7 Terminal**-Organization has neither the will, purpose nor energy to continue to exist.

SOURCE: [Nonprofit Lifecycles](#), Susan Kenny Stevens

# Importance of planning

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- Brings clarity to mission and vision
- Helps organizations plan for future
- Helps organizations anticipate and manage change
- Improves the day-to day decision making
- Problem solving becomes related to long – range and short-term goals
- Helps nonprofits be more accountable; better stewards

# Importance of Planning

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- Promotes synergy between board and staff
- Allows for a renewed energy and commitment to cause
- Brings back institutional history
- Celebrates organizational strengths
- Allows critical review of systems and processes

# Strategy

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## Definition---

A plan, method, or series of maneuvers or stratagems for obtaining a specific goal or result: a *strategy* for getting ahead in the world.

# Strategy

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- What is it?
- What does it mean for your organization?



# What's involved in strategy?

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- Who we are?
- What is our history?
- Where are we today?
- What's next?
- How will get to "*our next*"?

*Peter Drucker-*

*"If you don't know where you are going, any plan will do."*

# What is managing strategically?

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- Creating and implementing strategies
- Continual evaluation
- Continual refinement
- Must work at it—doesn't happen overnight

***"However beautiful the strategy, you should occasionally look at the results"***

*Sir Winston Churchill 1874-1965, English statesman*



Figure 1: The Strategy Pyramid ©

***The Nonprofit Strategy Revolution* David LaPiana, 2008**

# Strategy Pyramid

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## • Operational

How organization manages day to day

## • Programmatic

How programmatic activities meet needs in the most effective manner

## • Organizational

Who and what we are in larger world (consider identity, direction, partners and competitors)

# Strategic Planning

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Strategic planning is an organization's process of defining its strategy, or direction, and making decisions on allocating its resources to pursue this strategy.

# Benefits of strategic planning

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- Improves accountability and ability to improve – performance measures help understand performance
- Highlights areas for management and process improvements
- Provides guidance to employees on what to do and what not to do in their daily work
- Gives a system perspective on how operate

# Benefits of strategic planning

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- Engages Board, staff, customers and stakeholders
- Sets organizational direction and enhances focus
- Helps distinguish the important from the unimportant
- Assists with decision making and priority setting – helps make difficult choices
- Assists with resource allocation – transfer resources from lower to higher priorities

# 5 steps in Strategic Planning





# Mission Statement

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## Definition:

- Statement of purpose; fundamental reason for an organization's existence

## Examples:

- To provide affordable housing for elderly, low income persons
- To bring happiness to millions
- We put out fires, we save lives, we stay safe

# Means for Evaluating Mission Statement

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- Does it succinctly describe the fundamental reason for your organization's existence?
- Is it easy to remember?
- Is it easy to understand?
- Is it inspiring?
- Will employees be able to make the connection between what they do and the accomplishment of the mission?

# Mission statement

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# Vision

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- Know what you want to sustain
- Know how your initiative fits within the larger community
- Know your scope of activities
- Know your scale of operation
- Know your timeline

# Vision

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## Definition:

- A shared image of future success
- Compelling, conceptual image of the desired future
- A picture of the future you want to create
- What might be possible, your potential
- The difference you want to make

## Examples:

- A community without HIV/AIDS
- To be the premier provider of services to persons who have experienced domestic violence
- To have a computer on every desk and in every home
- To become the Harvard of the West

# Values

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## Definition:

- Principles that govern our behavior and the way we do business

## Examples:

- Accountability
- Customer Service
- Excellence
- Innovation

**Customer Service: We provide exceptional customer service with a caring attitude and a sense of urgency. We ask for input from our customers so that we can more effectively and efficiently serve them.**

# Customers

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- Any person, group or organization receiving your products and/or services
- Keep as concise and as easy to understand as possible
- Examples:
  - Low income families
  - Men over the age of 18 with a substance abuse diagnosis

# Products/Services

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- Deliverables that the customer receives
- Nouns, not verbs, that describe what customer gets rather than what organization does
- Keep as concise and as easy to understand as possible
- Examples:
  - Case Management
  - Housing
  - Counseling



# Elevator Speech – Putting it all together

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***Nonprofit organization*** provides (products and services) to (customers). Our fundamental purpose is to (mission). Our long term goal is to (vision) and the outcomes we are working towards are (goals).

# Look at competition

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- Who else is working in our “space”
- What is their niche
- What is our niche
- Where can we partner

# What external forces impact our work

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What externally impacts our organization/ programs and the resources we depend on to be successful and sustainable?

- Changing demographics and needs
- Changes in the economy and funder's priorities

# Critical Issues - Review

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\*\*Critical issues serve as the guide for development of your Goals

- Have we identified the critical issues internally?
- Have we identified the critical issues externally?
- Is there anything you think we are missing?

# Importance of results

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- Know what results are important
- Focus work on achieving results
- Set measurements and outcomes to track progress

# Goals

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Goals should be **SMART**

**S**pecific

**M**easurable

**A**chievable

**R**esults-oriented

**T**imed

# Example Goals

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- **Southwest Airlines Mission:**
  - Ensure the highest quality customer service in the air or on the ground
- **Southwest Airlines Vision:**
  - Be the hometown airline of every community we serve
- **Southwest Airlines Goals:**
  - Southwest Airlines will be...

# Means for Evaluating Goals

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- Do they fit within the boundaries of your organization's mission?
- Do they describe the OUTCOMES for your customers (versus actions you will take)?
- Are they easy to understand?
- Will you be able to measure your progress and know when you reach your goal?
- Can you envision initiatives and tasks that will make your goals a reality?
- Do these goals address the critical issues identified in the Organizational Analysis?



# Objectives

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Objectives are the set of steps under each goal that enable the organization to achieve the goal.

# Objectives

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- **Definition:**

- Statements of what you must do well or barriers that you must overcome to achieve a specific goal

If \_\_\_\_\_, then \_\_\_\_\_

- **Examples:**

- Goal: Financially Sound
- **Objective:** Diversify sources of funding
- Goal: Customer Focused
- **Objective:** Decrease staff turnover

# Means for Evaluating Objectives

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- Does the objective sound like it is something you can go and do?
  - If yes, it may be an initiative or task
  - If yes, ask “Why would I do this? *The answer will get you closer to an objective*”
- Can you identify multiple initiatives and tasks that would contribute to the accomplishment of each objective?
- Is the objective specific and measurable?

# Initiatives

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- Specific programs and activities that will help the City meet its objectives and performance targets
- **Examples:**
  - Goal: Customer Focused
  - Objective: Deliver passengers on time
  - Initiative:
  - Initiative:

# Goals vs. Objectives vs. Initiatives

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**Goals:** Broad statements of measurable outcomes to be achieved on behalf of customers

**Objectives:** Statements of what you must do well or barriers that you must overcome to achieve a specific goal

If \_\_\_\_\_, then \_\_\_\_\_

**Initiatives:** Specific programs and activities that will help you meet your objectives and performance targets

# Other components of strategic plan

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Tactics and Metrics-associated with each objective and define methods needed to accomplish objectives and measures to evaluate performance.

Budget-financial projects needed to implement plan.

Organizational Chart—lays out staff and structure to support plan.

# A strategic financial plan

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- What are the expected financial needs
- Mapping current resources that support the initiative
- Identifying funding gaps
- Analyzing a range of funding sources and financing strategies to meet the fiscal needs of the initiative.

# Alternatives to strategic planning

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- Strategic Learning Agenda
- Development Assessment and Fundraising revamp
- Business Model Adjustment (compare programs and revenue)
- 360 review of Executive and/or top leadership
- Community-oriented review of organization and work



# Elements of Sustainability

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- Vision
- Results orientation
- Strategic Financing
- Adaptability to Changing Conditions
- Broad-Based Community Support
- Key Champions
- Strong Internal Systems

# Sustainability Planning

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- Defines where you are and where you want to go
- Develops plans for long-term
- Provides standards to measure progress
- Brings value to your work for donors, clients, and partners

# Keep in Mind

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- Sustainability
  - “the capacity to endure” (Wikipedia)
- To be sustainable, must focus on:
  - ✦ **Programmatic Impact**
  - ✦ **Financial Health**
- An orientation, not a destination

# Must define business model

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- Define scope of geographic area where services are provided
- Define our customers
- Define what programs and services we offer
- Define where our funding comes from

# Thank you!

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