Leadership Potential

NONPROFIT STRATEGIC PLANNING: INSIGHTS AND SOLUTIONS FOR IMPLEMENTATION SUCCESS

2024 REPORT

CONTENTS

SPONSORS

This report was proudly sponsored by:

Nonprofit Sector Strategies was co-founded by Christine Deska and Frank Orzo in 2017 to help nonprofits maximize mission impact through strategic planning and board development consulting. Its signature product, BellesBoard is an affordable board management software solution and mobile app that grows nonprofit boards' efficiency, engagement and fundraising.

www.BellesBoard.com

EXECUTIVE SUMMARY

Nonprofits face unique challenges in accomplishing their work: resource constraints, demanding operational focus, and external pressures that challenge the best intentions. This whitepaper identifies three primary barriers: Resource Constraints and Operational Focus, Engagement and Buy-In, and External Pressures and Lack of Adaptability.

Resource limitations lead nonprofits to prioritize day-to-day operations over strategic planning, with leadership often more attuned to immediate tasks than long-term goals. This focus diverts attention from strategic imperatives, making strategic planning seem like an additional burden rather than a pathway to growth. Furthermore, assumptions about the demand for services or products often do not align with actual needs, straining already limited resources.

Engagement and buy-in within nonprofits often falter, particularly among senior leadership and boards. The tendency for CEOs/EDs to pursue personal agendas without broader consultation demotivates staff and undermines strategic plan implementation.

External pressures, including funding limitations and shifting stakeholder expectations, compel nonprofits to deviate from strategic objectives for short-term gains, jeopardizing plan integrity. The COVID-19 pandemic exemplifies the challenges of adapting to unexpected external events, underscoring the need for greater responsiveness and flexibility.

To address these barriers, this paper proposes 10 actionable recommendations focused on leadership commitment, inclusive planning, clear communication, defined goals and accountability, adaptability, resource alignment, strategic oversight, organizational learning, stakeholder engagement, and continuous feedback mechanisms.

Implementing these strategies can empower nonprofits to navigate the complex terrain of strategic planning, ensuring more effective execution and sustainable growth.

METHODOLOGY

For this research, 14 different nonprofit leaders at different organizations across the country were interviewed. The roles included CEO, COO, Founder, Director of Strategy and Culture, and Chief Technology Officer. These nonprofits varied in size from small, local grassroots organizations to large national nonprofits. Five consultants who regularly help nonprofits with creating strategic plans were also interviewed.

BARRIER 1: RESOURCE CONSTRAINTS AND OPERATIONAL FOCUS

Many nonprofits struggle with limited staffing and financial resources, leading to an overemphasis on operational tasks at the expense of strategic thinking and planning. Leadership teams are often composed of individuals more attuned to day-to-day operations than long-term strategy, leading to the viewpoint of strategic planning as "another thing to watch/track/measure," which adds pressure without clear direction.

This skewing of the organization's focus towards immediate operational challenges means that strategic planning often feels like "an additional pressure to accomplish" without the necessary support structures in place.

"When mission becomes too big, you can spread yourself too thin"

The ongoing tension between immediate needs and the future strategic imperatives of growth also leads to assumptions (often incorrect) about the current landscape that the nonprofit functions in. These assumptions often include: whether there's actually demand for the service or product or whether there is a desire to grow. This fundamental mismatch between a service/product and the audience can often create a strategic plan that stretches the resources in ways that put pressure on already limited organizations.

BARRIER 2: ENGAGEMENT AND BUY-IN

Oftentimes, difficulties in generating sufficient buy-in for strategic plans are not just from the broader organization, but from within the senior leadership teams and boards. A concerning trend was noted that often, CEOs/EDs had their own objectives and would change their minds or completely change direction without involving anyone else.This pattern led to demotivated and demoralized staff at all levels of the organization.

The lack of engagement and buy-in was strongly reflected in nonprofits that held the belief that the strategic plan is typically not anyone's job, indicating a broader issue of lack of ownership and accountability.

"If the org is not ready, even if the plan is great, it won't work"

When plans do not have a designated owner or fail to assign specific tasks and metrics to team members, the likelihood of successful implementation declines. Moreover, the absence of regular follow-up, accountability, and reinforcement of strategic objectives lead to scenarios in which even well-intentioned plans lose momentum and fail to achieve their intended impact. This is especially true when organizations don't have a board that is able or willing to hold the CEO/ED accountable to the plan.

BARRIER 3: EXTERNAL PRESSURES AND LACK OF ADAPTABILITY

External barriers, such as funding limitations and stakeholder expectations, significantly influence nonprofits' ability to adhere to and implement strategic plans. These external pressures often force organizations to pivot away from long-term strategic objectives in favor of short-term funding opportunities which compromises the plan's integrity and coherence. As mentioned above, the mismatch between the supply of the organization's services and the demand from the target market leads to a pressure on the nonprofit to explore new ways of doing things that may not be aligned with the core function of their organization. This mismatch often will lead nonprofits to seek growth in communities that may not need or want their services.

"Strategy can become stagnant and not as relevant pretty quickly"

The world we live in also requires an additional responsiveness to stakeholder demands and external events, such as the COVID-19 pandemic. This level of unpredictability and reactivity is inherently stressful and can derail strategic initiatives. Multiple leaders interviewed expressed frustration around the pressures of external perceptions and challenges can impact strategic plan implementation. Leaders of larger organizations particularly found it challenging to adapt to changing landscapes and communities.

A TALE OF TWO NONPROFITS

In this case study of 2 different regional nonprofits, you can see the impact of the success of the strategic plan on basic factors. Even in complicated systems, success and failure can be traced to important keys.

NONPROFIT #1

One healthcare organization underwent a merger involving the integration of various healthcare companies. This complicated process meant unifying multiple process, systems, and cultures into a unified healthcare system. This organization was successfully able to merge and grow their organization with the following factors:

Leadership buy-in: The CEO and COO were highlighted as key drivers of the merger, with the COO described as the "engine" with a vision.

Communication and focus on employee engagement: Special attention was provided to integrating diverse cultures from the acquired entities and embedding leadership educators within teams to facilitate the merger process.

Performance Management and Accountability: The performance management process, where every employee aligned their goals with one of the strategic pillars, was monitored through a real-time dashboard. The implementation was informed by change management frameworks such as the Baldridge Criteria and supported by a team of performance excellence consultants.

NONPROFIT #2

One human services non-profit created a 5-year strategic plan, but it never made any progress. There were plans to improve infrastructure and capacity, setting the stage for growth. However, the plan never really got off the ground, leading to lack of growth and stagnation across multiple departments. There were a few different factors:

Lack of ownership: There was an assigned project manager that had ownership of the entire implementation, but she didn't have authority to enable changes or make decisions. Turnover at the executive level also meant that remaining leaders were too focused the day-to-day tactical work and not on the big picture and thinking strategically.

Poor communication: During the plan's implementation, there was minimal discussion with employees on the ground and no tie-in from their work to the plan.

No clear processes: Even though the plan initially focused on improving technology infrastructure, there was no clarity on what could be done concurrently and what needed to be done sequentially. Add to that lack of accountability at all levels and progress was slow.

10 Strategies to Ensure Implementation Success

The 10 strategies for implementation success are proven strategies based on experience and best practice. The common theme among many of them is that the success of your plan begins with your people. Metrics and data are important, but you'll need people at every level that are bought in and can execute.

"It starts long before the strategic plan. It's really about the culture"

STRATEGY 1: FOSTER LEADERSHIP COMMITMENT

Ensure the CEOs and executive directors visibly champion the strategic plan, dedicating their time and effort to its success. Leaders should embody the strategic focus and drive its adoption throughout the organization. A recurring theme was the critical role of both the CEO/ED in championing the strategic plan. Their visible commitment, time, and effort are essential to underscore the plan's importance across the organization.

"[The] CEO/ED is vitally important to making sure it's successful. You need the CEO/ED's time and effort to showcase how important it is to them."

Ways to put into action:

- Continuously reinforce the plan and its relevance to daily operations
- Support the plan by committing resources
- Don't change your mind about a priority or approach without real input from others
- Be willing to abandon your own plans
- Assign a priority to each member of the senior leadership and hold them accountable
- Carve out time in every leadership meeting to make sure initiatives are in alignment
- Assign someone at the c-suite level or ED to be in charge of the whole plan
- For CEO's/ED's: Ask yourself, "What are the habits you need to make this second nature?"
- Maintain a optimistic point of view and that you can accomplish the goals.

STRATEGY 2: CULTIVATE AN INCLUSIVE PLANNING PROCESS

Engage diverse stakeholders in the development of the strategic plan to ensure wide-ranging perspectives and buy-in, making the strategy more robust and representative. A collaborative approach to strategic planning and involving stakeholders at all levels ensures buy-in and ownership. Respondents largely felt this was a pre-requisite for the metrics and KPIs/OKRs

"Do [a] strategic plan roadshow to allow everyone to see themselves in the plan (Make the plan relatable by using use metaphors)"

"People don't like when things are done to them"

"People need to hear things more than 1 time (at least 7 times) and WIIFM [What's In It For Me]"

Ways to put into action:

- Bring several voices to table - Hold focus groups, advisory groups, and 3rd party people doing research and essentially have everyone share their voice, By the time implementation came, everyone should have seen their voices in the process
- Interview other nonprofit groups that have been successful in the same space/community
- Bring in all departments from the beginning to envision how the plan will look for them and the impact on their work
- Carve out time for proper knowledge building and knowledge transfer

STRATEGY 3: COMMUNICATE STRATEGICALLY AND CONTINUOUSLY

Maintain open lines of communication about the plan's progress, relevance, and adjustments. Utilize various platforms and methods to ensure the message resonates across the organization. Regular, transparent communication about the strategic plan's progress and relevance is crucial. This can be achieved through strategic plan roadshows, integration into regular leadership meetings, and creating a common language around strategy. Engaging the entire staff in plan development and ensuring the plan is relatable and understandable at all levels fosters alignment and commitment.

"Incorporate strategy into onboarding and then do a road-show for existing employees."

Ways to put into action:

- Overcommunicate
- Create that common language - use those same people from focus groups to be evangelists for that new language.
- Talk about it on a regular basis at staff meetings
- Facilitate discussion so people can see how goals impact other departments
- Maintain transparency on status of plan and progress or barriers
- Maintain a 1-page plan that's easily understood by everyone. Maintain a separate implementation plan that's more detailed.

STRATEGY 4: SET CLEAR GOALS AND ACCOUNTABILITIES

Define precise, measurable objectives and assign clear responsibilities to ensure everyone knows their role in achieving the strategic plan's goals. This involves setting SMART or FAST goals, breaking down plans into manageable chunks, and clearly outlining accountability for each part of the plan. A reality for nonprofits is sometimes the varying reporting requirements for each funding source. Getting clarity on this ahead of time may make things easier down the line.

"Be clear on outcomes and objectives and who will be involved (Being vague will make it harder to operationalize it)."

Ways to put into action:

- Identify who is accountable for each part of the plan and empower them to make decisions (including their budget and staffing)
- Reduce the overwhelm of metrics as much as possible, get rid of metrics that aren't helpful
- Get as many donors together as possible to discuss what metrics and reports they want together
- Use frameworks such as RACI or RAPID to ensure the right stakeholders are kept up to date and have a voice.
- Plan for 3-4 priorities MAX

STRATEGY 5: EMBED STRATEGIC REVIEW AND ADAPTATION PROCESSES

Treat the strategic plan as a living document that is regularly reviewed and adapted in response to changing circumstances, ensuring it remains relevant and actionable. Recognizing the strategic plan as a living document and being prepared to adapt as needed is vital. This includes regular check-ins, refreshing goals, and being open to pivoting strategy in response to new challenges or opportunities. Encouraging a culture of continuous feedback and learning enables organizations to stay responsive and innovative.

"Reframe strategy as a living document and have processes put in place to check in on direction and refresh (At least annual check-in and refresh)."

"Be nimble and flexible and when to pivot - especially post-covid - Know when to say we need to change course."

Ways to put into action:

- Set a regular cadence for review (monthly at best, quarterly at the very least)
- Set up regular opportunities for feedback from all levels on the plan
- If the plan isn't able to be accomplished in estimated timeframe, consider extending the plan

STRATEGY 6: PRIORITIZE RESOURCE ALIGNMENT

Deliberately invest time and resources into strategic priorities, ensuring alignment between organizational goals and resource allocation. Deliberate investment of time and resources into strategic initiatives, prioritizing grants and projects that align with the strategic plan, and ensuring the organization has the infrastructure to support its goals are key. This includes being realistic about current capabilities and what is needed to achieve strategic objectives.

"Need to be deliberate about investing time/resources."

"Having a good strategic plan should theoretically make it easier to say 'no' and you won't feel bad saying 'no'"

Ways to put into action:

- Be realistic about your capacity and capability in scaling up
- Do a realistic assessment of your infrastructure
- Do a gut check on whether pursuing grants/funding that fall outside your strategic plan
- Be willing to say "no"

STRATEGY 7: EMPOWER A DEDICATED STRATEGIC OVERSIGHT ROLE

Assign a specific individual or team the responsibility of overseeing the strategic plan, holding them accountable for monitoring progress and facilitating adjustments. Having a specific person or team dedicated to overseeing the strategic plan, **with the authority** to enforce accountability and make necessary adjustments, ensures focused execution. If direct oversight isn't feasible, leveraging intentional consultant support can fill this gap.

"Having a specific person focused on the strategic plan - need to have authority to hold others accountable, need to have some power and be able to make decisions."

"Give the driver the bus, the keys"

Ways to put into action:

- Empower a single person with the power to hold others accountable and call out those who aren't doing the work
- This person needs to have decision-making power
- C-Suite level or ED would be ideal
- If there is no capacity for internal person, consider a consultant

STRATEGY 8: ENHANCE ORGANIZATIONAL LEARNING AND DEVELOPMENT

Invest in professional development and strategic thinking capabilities at all levels of leadership to build a culture that values and understands strategic execution. Encouraging strategic thinking at all levels of leadership, especially among those traditionally focused on tactical roles, enhances the organization's strategic capacity. This involves creating opportunities for **planned turnover** to bring in strategic thinkers and ensuring that leadership regularly dedicates time to long-term thinking beyond daily fires.

"Have leaders that can think strategically and think less about the day-to-day - Attract people into leadership that can think strategically."

"Find time with leadership team to get out of day-to-day fires and think long term"

"Increase support/capacity for newer leaders."

Ways to put into action:

- Provide individual and group coaching for leaders at different levels to improve their strategic thinking
- Protect time for leadership team to get out of day-to-day fires and think holistically
- Hold regular After-Action Reviews to create a learning culture from the plan

STRATEGY 9: STRENGTHEN ENGAGEMENT AND OWNERSHIP BY EMBEDDING IT INTO THE CULTURE

Encourage a sense of ownership among all team members by involving them in both the development and execution of the strategic plan, fostering a culture of shared responsibility and commitment. Creating a culture that values strategic planning and execution involves integrating the strategic plan into every aspect of the organization's operations and decision-making.

"Integrate it into DNA (Every leadership meeting at every level features the strategic plan, keep it top of mind - Start out every meeting about it)."

"Give people autonomy for them to design what it means for their work."

Ways to put into action:

- Incorporate the strategic plan into all leadership meetings and daily conversations.
- Ensure the staff see their work directly reflected into the plan.
- Create a continuous mechanism for feedback from everyone to senior leaders as well as a method for senior leaders to communicate with all levels.

STRATEGY 10: BUILD A STRONG BOARD

A strong, positive relationship between the board and executive leadership. This requires setting clear expectations, maintaining transparency, and fostering a culture of accountability and support. The board should have clear governance structures and should also maintain separation from the organization. That is, they should not be directing employees to do specific work.

"Maintain a good relationship with your board - Communicate often and well and have a positive relationship with them."

"Have the board be active to hold the ED accountable and get their buy-in"

Ways to put into action:

- Recruiting board members that understand the organization, the mission, and the landscape
- Intentionally recruit board members with diverse viewpoints/perspectives/experiences
- Set up board orientation and onboarding
- Set expectations that the board will hold the CEO/ED accountable

ACKNOWLEDGEMENTS

This report would not have been possible without the support and wisdom from the following contributors:

RESOURCES

In this report, different resources were mentioned. Here are some additional reading/templates for your reference. You can read more by clicking the links below:

Goal Setting Frameworks
- SMART Goals: A How-To Guide (credit: University of California)
- FAST Goals

Stakeholder Frameworks
- RACI Framework for Project Management (& alternatives)
- RAPID Decision Making Framework for Nonprofits

Organizational Development Framework
- Baldrige Excellence Framework for Organizational Development

CONNECT WITH ME

You can continue the conversation with me here:

🌐 www.myleadershippotential.com

✉️ chris@myleadershippotential.com

in www.linkedin.com/in/chriswonglmhc

ABOUT ME

I'm Chris, a certified executive coach, certified nonprofit strategy coach, licensed therapist, and seasoned leadership development professional with a proven track record in the nonprofit sector. I partner with human service nonprofit executives to overcome barriers to implement strategic plans and make a difference. My extensive experience spans nonprofit, health insurance, and government systems and encompasses:

- leadership development programs
- strategic planning and implementation
- managing change
- diversity, equity, and inclusion
- conflict resolution/difficult conversations
- engaging employees
- building influence
- developing boards
- creating high performing cultures

As a facilitator and public speaker, I also regularly facilitates workshops for groups of all sizes on these same topics.

If you're struggling to get things done, particularly with one of the areas above, reach out and let's chat to see how I may be able to help.