

Planning Strategically in Uncertain Times

Managing Nonprofits Through Difficult Times

Dyson Foundation
Community Foundation of Dutchess County
Ulster County Community Foundation
Berkshire Taconic Community Foundation

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Craig Dreeszen, Ph.D.
craig@dreeszen.com
413 585-8474

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Not Business as Usual

- Steering through a financial emergency is unfamiliar
- Keep your balance
- Remember your mission
- Know your impact
- Plan for contingencies
- Check in with funders & key constituents
- Seek friends & allies



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A planning paradox

- We must plan for the future
- Yet the future is unpredictable
- We need a sense of direction
- We don't need to know the future



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Workshop Objectives

- Build our capacity to think strategically and adapt plans flexibly
- Learn to confirm core values & mission
- Engage key funders & constituents
- Prepare for contingencies
- Learn to plan with other organizations
- Recognize threats and opportunities

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Why plan in an Emergency?

- Gather and support your core leaders
- Remember what matters
- Create opportunities to think strategically
- Ask "what if..." and prepare
- Anticipate problems & opportunities
- Seek advise from those who may help
- Organize scarce resources
- Reinforce organizational culture

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Where do you want to go?

...said Alice, "would you tell me, please, which way I ought to go from here?"



"That depends a good deal on where you want to get to," said the Cat.

"I don't much care where..." said Alice.

"Then it doesn't matter which way you go," said the Cat.

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Start Where You Are

- Have you planning experience?
- Do you have a plan?
- Is plan current?
- Does plan guide decisions?
- Does your mission still define your purpose?
- Do you have long-range goals?
- Do you evaluate your impacts?
- Are you in crisis?
- Will your leader be leaving?



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White Water Planning

- Quick process (weeks not months)
- Simple, targeted constituent engagement
- Bi-focal attention to long-term vision and immediate risks/opportunities
- Plan for alternative scenarios (Plan B)
- Concise written plan
- Specific objectives limited to near term



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"Never waste a good crisis"

Secretary of State Hillary Clinton

- You may plan dramatic changes that would be resisted in calmer times
 - Abandon ineffective programs
 - Lay off unproductive staff
 - Reorganize governance or operations
 - Merge with competitor
- Cheaper facility rents or purchase
- Surviving organizations will be stronger

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Kinds of plans

- Strategic plan
- Long range plan (less common now)
- Business plan
- Program or Work plan

- Succession or Transition plan
- Critical Issues plan
- Scenario or Contingency plan
- Marketing, Fundraising, or Capital improvement
- Collaborative plan
- Community cultural plan

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Alternatives to Plans

- Proactive alternatives
 - Strategic thinking
 - "Real Time Strategic Planning"
- Reactive alternatives
 - Crisis management
 - Muddling through

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Keep it simple!

A map is not the territory; a plan is not reality

If planning isn't simple and intuitive, people won't act on it

If the plan isn't simple and adaptable, people will ignore it



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It's about Consensus-building

Mutual understanding more important than written plan

Empower people with shared meanings & shared strategies

Good process helps implementation



"Leaders don't create followers, they create more leaders."

Tom Peters

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Finding consensus



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Plan to reinforce relationships

- Welcome connections with the community
- Engage core constituents
- Inform partners (schools and civic agencies)
- Demonstrate impact to funders

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Quick course in planning

- Gather people who care and ask their advice
- Envision what could be
- Observe and make sense of your environment
- Formulate strategies & goals
- Determine action steps
- Act on your plan
- Observe what happens
- Evaluate, revise, and adapt



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Strategic Thinking

- Some call for strategic thinking and reject strategic planning
- Rapid changes call for rapid response
- Don't limit strategic thinking to formal planning or three-year cycle
- Strategic thinking must be continual and integral to programs and operations

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Applied Strategic Thinking

- Strategic thinking is not in head of one CEO
- Nonprofit organizations are collaborative and strategic thinking must be shared
- Use planning to engage collective intelligence
- Planning builds strategic thinking capacity

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Strategy

"...an organized pattern of behavior toward an end."
David La Piana

"...strategy is a plan—some sort of consciously intended course of action, a guideline (or set of guidelines) to deal with a situation."
Harvey Mintzberg

"...a systemic process through which an organization agrees on – and builds commitment among key stakeholders – priorities that are essential to its mission and are responsive to the environment."

Allison & Kaye

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Real-Time Strategy

Organizational Strategies

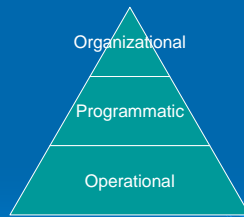
- Mission, vision, business model, policies, competitors, partners, market position

Programmatic Strategies

- Programs and activities to achieve mission

Operational Strategies

- Administration, systems, personnel, finance, facilities, communications, information



Adapted from David La Piana,
The Nonprofit Strategy Revolution

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Real Time Strategic Planning

"...continuously monitor the organization's environment and respond immediately to new Big Questions with appropriate strategies."

"...quickly converting thought into action in real time to address opportunities and challenges in a rapid-response world."

David La Piana, 2008

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Scenario Planning

“...invent and then consider...several varied stories of equally plausible futures. Don't pick one preferred future and plan for it.

“Rather...make strategic decisions that will be sound for all plausible futures.”

Engage in “strategic conversations”
More important than decisions are “mutual understandings”

Peter Schwartz, The Art of the Long View

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Steps to Plan for Scenarios

1. Identify focal issue or decision
2. Identify driving forces in environment
3. Rank forces by importance & degree of uncertainty
4. Identify plausible scenarios
5. Consider and rehearse strategic implications of each scenario
6. Identify indicators to observe early on which scenario becomes real

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Contingency Planning

- Contingency Planning deals with uncertainty by identifying *specific responses* to possible future disruptions.
 - Business Continuity or Contingency Plans (BCP) lots of online templates
 - Emergency Response and Recovery
 - Special Event Contingency Planning www.training.fema.gov
 - Crisis communications

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Strategic Questions

- Identify critical issues
 - Either obvious problems or opportunities
 - Or findings from constituent assessments
 - Or early indicators of emerging trends
- Clarify ambiguous situation
- Agree upon strategic question(s)
 - "How can we resolve/respond...?"
- Focus discussions to resolve question
- Choose best strategy

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Planning in Partnership

- Funders value collaboration as evidence of broad support & economy
- Funders mandating collaboration
- Isolated organizations are vulnerable
- Cross-sector partnerships access funds from multiple sources
- Consolidations & mergers growing trend

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Collaborating: a Learned Skill

- Characteristics of partnerships
 - Loose organization
 - Ambiguous membership
 - Highly sensitive to environment
 - Flat hierarchy
 - Multiple leaders
 - Mixed cultures

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4 Steps to Planning in Partnership

1. Get ready--get acquainted
 - Porch sitting
 - May take time to build trust
2. Get set--plan
 - What's the problem or opportunity?
 - Who does what?
3. Go--implement
 - Launch initiative
4. How are we doing?--
 - Monitor, evaluate, and adjust accordingly

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Continuum of Partnerships

- Least intensive
 - Individual transactions
 - Information networks
 - Joint ventures
- More intensive
 - Coordinated tasks
 - Collaborations
- Most intensive
 - Institutional collaborations
 - Consolidated services
 - Consolidated administration
 - Acquisitions and Mergers

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Partnership Problems

- Ready, fire, aim! (We solved the wrong problem!)
- Divergent goals (My agenda....)
- Unexpressed expectations (You expect me to do what?)
- Ambiguous responsibilities (I was supposed to write a grant?)
- Ambiguity about money (Who authorized that expense?)

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More Partnership Problems

- Inadequate resources
- Unequal power (We'll do it my way.)
- Lack of respect (You people...)
- No written agreements (I don't remember saying that)
- Responsibility without authority (I'll ask the board)
- Conflicts of loyalty (Hey, that's my donor!)
- Reality intrudes (Life goes on)

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Sustaining Partnerships

- Create written agreements
- Communicate regularly
- Be prepared to adapt to unforeseen events
- Manage conflicts

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Strategic plan outline

Vision *(ideal when organization fully succeeds)*

Mission *(why organization exists)*

Values *(beliefs or ethical principles)*

Goals *(long-range, hoped-for results)*

Strategies *(organized approach to implement)*

Objectives *(short-term outcomes)*

Tasks *(who does what when)*

Budget *(revenues & costs)*

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Language of planning: Vision

- An idealized future description of your organization, community, or constituents when you have fully realized your mission

"When you are immersed in a vision, you know what must be done... But you may not know how to do it. You experiment, err, try again,-yet there is no ambiguity."

Ed Simon

The Hawai'i Community Foundation: "We want to live in a Hawai'i where people care about each other, our natural resources and diverse island cultures; a place where people's ideas, initiatives and generosity support thriving, responsible communities."

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Mission

- The purpose or ultimate result you hope to achieve
- Why the organization exists

"The mission of Atlatl is to promote the vitality of contemporary Native American art through self determination in cultural expression."

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Goal

- A desired long-term result or condition
- Consistent with the mission
- Speaks of values or principles
- Not quantifiable
- People will agree on goal's meaning but may never agree if it has been achieved

"Assure that children in our community have access to arts instruction in schools."

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Strategy

Organized approach of inter-related actions intended to achieve goals

- May also be applied to programs or operations (often called tactics at this level)

"We will work in partnership throughout the city. We will create a coalition of K-12 educators and cultural organizations to coordinate advocacy and policy formulation. We will develop cooperative programs to support student learning."

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Objective

- A specific, observable, and achievable short-term result consistent with a goal
- May be measurable and/or time-specific
- May be called an outcome
- Provides the basis of evaluation

"Involve at least four teachers in arts education curriculum development planning within the next year."

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Overall Planning Process

- Board & staff organize & appoint planning team
- Planning team leads community assessment
- Board & staff gather for retreat to envision, make sense of assessment, and set goals
- Planning team writes plan
- Board considers, amends and approves

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An Eight Stage Process

1. Organize
2. Envision
3. Assess (external and internal)
4. Establish goals and strategies
5. Write plan and budget
6. Approve and commit
7. Implement
8. Evaluate and adapt

Sequence of stages can vary

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Stage 1: Organize

- Determine timing
- Choose a process
- Recruit a planning team
- Project expenses
- Schedule planning retreat
- Collect background information

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Stage 2. Envision

- Three options to describe what might be
 - Recall your vision
 - Recognize the vision of a leader
 - Create a new vision

"When you are immersed in a vision, you know what must be done... But you may not know how to do it. You experiment, err, try again,-- yet there is no ambiguity." --Ed Simon, president and chief operating officer, Herman Miller

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Questions to recall a vision

- "What inspires you about our work/our organization?"
- "Recall an incident when we were at our finest."
- "What business are we in?"
- A suggested process;
 - Individuals write an answer
 - Discuss in pairs and/or small groups
 - Report themes and patterns to larger group

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Creating a vision

- Drawing
 - Draw this organization...
- Metaphors
 - If this organization were a garden...
- Guided visualization
 - "Close your eyes, relax and imagine..."

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Vision

Make no little plans. They have no magic to stir men's blood and probably themselves will not be realized.

Make big plans; aim high in hope and work...

Think big.



Daniel Burnham (1864-1912)

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For any vision exercise

- Encourage discussion
- Write key words and phrases on flip chart
- Compare to existing mission statement

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Stage 3: Assessment

- Identify stakeholders, partners, & competitors
 - Who do you serve?
 - Who is most affected by your programs?
 - Who cares? Who should?
 - Who could block your action?
- Personify constituents
 - Identify groups or categories
 - Identify representative individuals

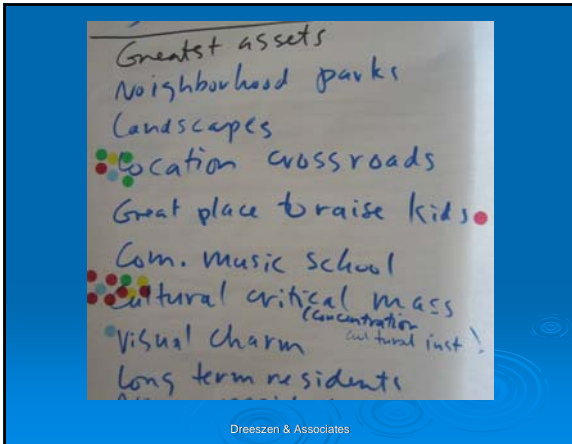
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External assessment tools

- Your records
- Observations
- Interviews
- Focus groups
- Public meetings
- Surveys



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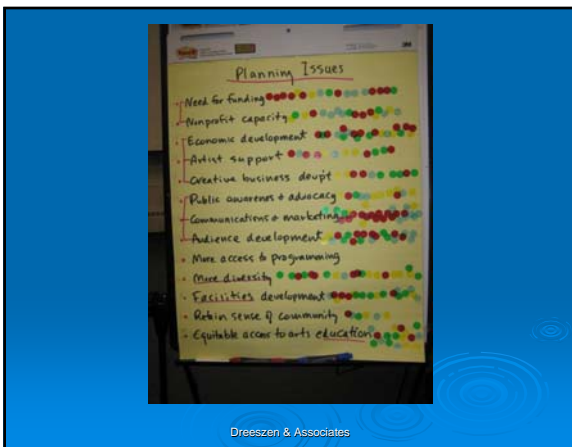


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Assessment questions

- When you think of our theatre, what comes to mind?
- Have you been to our classes?
 - How were you treated?
 - Did you learn/see/get what you had hoped?
- What did you like best?
- What could have been improved?
- How did you hear about our programs?
- What else could we do?

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The planning retreat

Envision, internal assessment & goals

Day-long meeting with board & staff

Requires facilitator, comfortable location, easels, markers, & refreshments



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Retreat Agenda

1. Clarify expectations and agenda
2. Warm up exercise
3. Vision exercise & review mission
4. Discuss critical issues or assessment results
5. Discuss strategic questions
6. Formulate draft goals & strategies
7. Identify potential priority objectives (if time)
8. Determine next steps in planning

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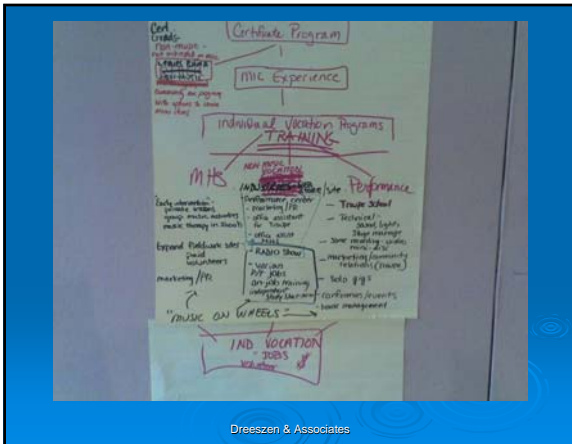
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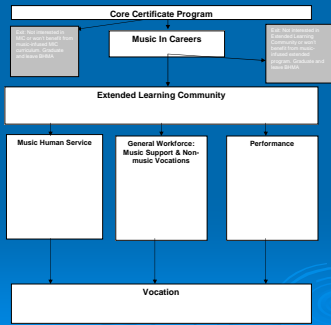


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Notes transformed to plan



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Writing mission statement

Complete this: "The main point of this organization is..."

- Write individually
- Compare in pairs and revise
- Meet in small groups and revise

Report to large group
Encourage discussion

Look for themes
Write key ideas on flip chart

Collect individual writing
Planning committee finishes

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Internal Assessment

- Identify internal strengths and weaknesses and external threats and opportunities (SWOT)
- Make sense of community assessment
- Narrow list to critical issues (internal and community)

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Stage 4: Establish goals

- Write goals as
 - the need met
 - the problem solved, or
 - the gap filled between vision and current reality
- Goals relate to critical issues from assessment
- Goals often describe major program areas
- Keep goals short, simple, and few in number

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Refining goals

Ask if a draft goal were realized, what would that get us?

Will often suggest a more fundamental goal

"Provide services which promote economic and artistic development for local artists."



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Formulating Strategy

Pose strategic questions

In large group, briefly discuss context, trends, & implications of question

If working group prepared in advance, present their recommendations

Or, break into ad hoc working groups during retreat to develop recommendations

Group reports & board/staff agree on strategy

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Writing objectives

- Objectives anticipate outcomes
- Good objectives are specific, observable, and achievable

"Using existing curriculum on Business Skills for Artists, offer workshop series around the country." Task:
"Implement... workshops in Los Angeles and Seattle areas in FY99."

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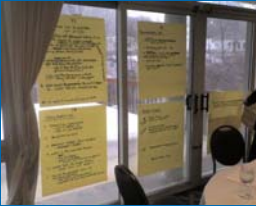
Retreat concludes

Ends at goal or objective step

Note progress so far

Note next steps

Set date for first draft



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Stage 5: Write the plan

- Planning committee writes first draft
 - Use flip chart notes and individual writings
 - Write first-draft plan
 - note consensus
 - and issues that need more discussion
- Board and staff consider draft
- Planning committee writes second draft

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Strategic Plan Goal 2 Extended Learning Community
BHMA expands opportunities for BHMA music vocational graduates to live and learn in an extended community.

Extended Vocation Programs

Objective 2.1 Extended Vocational Program Develop an extended vocational learning program with long-term instruction and vocational support for MIC graduates in three tracks: Music in Human Service, Performance, and General Workforce.

Action steps

- a. Confirm clear criteria for participation into, and transition out of, each program.
- i. Certicate program graduates study for at least two years...

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Plan formats

- Narrative text
- Outline
- Graphic matrix

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Narrative plan

- Commit to a policy of inclusion in every program, with particular attention to the unique needs of rural artists, and rural communities. In the first year, convene a meeting of Rural Arts Panel to explore alternate programs for rural arts advancement if federal support is not available.

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Outline format

- 1. Commit to a policy of inclusion.
 - 1.1. Serve the unique needs of rural communities.
 - 1.2. Explore alternatives to federal funding.

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Matrix format

Goal 2.1 Remove barriers to access.

Objective 2.1 Commit to a policy of inclusion in every program with particular attention to artists of color and rural artists.

Tasks	FY2009	FY2010	FY2011
	Convene a panel of artists to assess needs and our programs.	Evaluate impact of changes.	Establish artist fellowships.
	Make changes as required.		
	Hold four regional forums.	Host state conference.	Four workshops.

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Stage 6: Approve & Commit

Distribute draft plan in advance to Board and staff

Amend the plan based on feedback

Board convenes to consider plan

Amend again, if necessary

Approve the plan

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Stage 7: Implement the plan

- Use an inclusive process
- Keep it simple

- Go public
- Keep your eyes on the prize

- Recruit champions
- Link with fundraising and spending

- Make regular course corrections
- Evaluate!

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Stage 8: Evaluate and Adapt

- In-progress (formative)
 - Answer: "How are we doing?"
 - Helps improve programs
- At the end of a program (summative)
 - Answer: "How did we do?"
 - Accounts to constituents, board, and funders

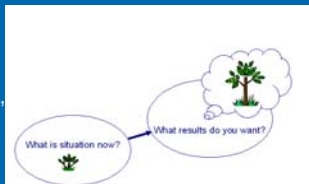
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Evaluation measures results

Evaluation asks:

"Did we accomplish what we intended?"

"And, what were unanticipated outcomes?"



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What can be evaluated?

- Measurable outcomes
 - "Most gallery visitors reported they learned to better appreciate local contemporary painters after touring the show"
- Indicators or evidence of results
 - Test scores are up
- But not intangible goals
 - "Connect people with the power of the arts to improve lives."

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Planning and evaluation

Planning sets objectives

Evaluation measures outcomes

Achieved objectives = outcomes

Head and tail of the same coin



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Framework for evaluation

Goal: Make the Arts basic to education.

Outcome (Objective)	Indicator (Evidence of result)	Data source (Where to look)
School employs more art & music teachers.	Number of teachers	School records
Arts integrated into school curricula	More instructional units using arts methods	Interview curriculum specialists or teachers
Teachers learn arts methods	Number of teachers demonstrating new skill	Arts Council's workshop records

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The learning organization

- Peter Senge: "A learning disability in a child is tragic; in an organization, its fatal."
- Think of planning as increased capacity to learn

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Strategic opportunity

Vision

+ Information

+ Unforeseen event

Opportunity

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