

Strategic and Tactical Planning for Canadian Professional Associations and Not-For-Profit Organizations

By Meredith Low

Like most not-for-profit organizations, professional associations understand that strategic planning is a key activity they should undertake periodically as part of good stewardship of the organization. However, they do not always follow a very systematic approach to this critical endeavour, and often struggle to realize the value in the process. This white paper outlines how professional associations can go through a strategic and tactical planning process which can lead to tangible benefits for all stakeholders in the organization.

WHY IS STRATEGIC PLANNING IMPORTANT?

The benefits an organization can derive from strategic planning are enormous.

Fundamentally, it is a way for organizations to ensure they are doing the right things in order to fulfill their mission. It is widely interpreted as one of the key ways for boards to exercise their duty of stewardship. Done well, it can ensure alignment among all the elements of the organization, and improve member satisfaction, employee morale, financial sustainability, and the overall profile and brand of the association. Unfortunately, done poorly, it can be a frustrating exercise that goes nowhere and saps goodwill from all involved.

This paper outlines ways that organizations can undertake strategic planning to maximize its benefits and avoid pitfalls. In short, it is important to be strategic about your strategic planning.

WHEN TO BEGIN?

Most organizations follow the rule of thumb that strategic planning should be undertaken at least every five years or so. However, there are a few circumstances when an earlier strategic planning process may make sense:

- Major change in the organization's external landscape, such as threats to revenue streams, increased competition for members, or shifts in relationships with other bodies (e.g. national/provincial associations, or overall governing bodies such as the Royal College in the medical context).
- Major regulatory, economic or competitive changes affecting the professional lives of members. The organization may need to respond to these issues, particularly as they relate to the value proposition the organization offers to members, or emerging needs that members may be experiencing.
- Major change internally, (e.g. a leadership transition, particularly if unanticipated). This is especially important if the organization has experienced significant conflict, such as removal of a

CEO or board member(s). Once the situation has stabilized and new leadership is firmly in place, strategic planning should be considered as a way to move the organization forward.

WHEN IS STRATEGIC PLANNING THE WRONG MOVE?

There are a few situations where it is probably not wise to undertake a full strategic planning exercise.

For example, if the organization is experiencing a crisis that threatens its existence, such as a catastrophic loss of funding, or a crippling lawsuit, organizational capacity is better used to address more immediate concerns.

Another example is if there is about to be a significant change in personnel or strategy. For instance, if a current CEO has indicated a wish to retire, and the search is under way for their replacement, it is generally smart to wait until the new leader is in place before doing strategic planning. Having said that, if the search is expected to take some time, and there are pressing concerns to be resolved in the meantime, a truncated process may be a possibility, while leaving the door open (and funding available) for the new CEO to conduct strategic exploration of his or her own.

Likewise, if a merger has been agreed to, it makes sense to complete strategic planning with the newly merged organization rather than trying to merge separate plans.

KEY QUESTIONS TO ASK

There are seven key questions you should be asking to shape your approach to your strategic plan.

1: What is at stake?

Start by asking how significant the pressures and opportunities are for your organization right now. What is in play?

If things are pretty much business as usual, with few significant changes on the horizon, a fairly basic strategic planning process will suffice. It is important, however, to validate this perception with a range of people (typically senior staff and board member, and possibly strategic partners) to ensure that everyone sees the organization and the environment the same way.

On the other hand, if the organization or its environment is going through a great deal of flux, or there are severe resource constraints – or even exciting but game-changing opportunities on the horizon – then a more extensive strategic planning process makes sense. There may be more fundamental issues to address. What is at the core of what we do? What role should we play in a changing environment? How can we protect our medium-term or long-term viability? If these are the types of issues your organization is facing, your investment in the strategic planning process should be deeper, and the scope of issues you address should be broader.

2: What do you want to achieve with this process?

Setting objectives for the strategic planning process is critical. What strategic questions do you want this process to answer? What issues do you want the approach to tackle? Are there organizational issues, such as staff/board alignment or organizational design, that you are hoping this process will address?

Being explicit with your objectives. This will be enormously helpful to ensure the process stays on track. These objectives must be aligned with what is at stake for the organization to be truly successful.

3: What should be in scope?

Many organizations are complex, with various means of revenue generation (such as a journal or other publication, a conference, or a fee-for-service business), or perhaps a diverse membership base. Before you start strategic planning, you should determine what is on the table. Every part of your organization, or only some parts, and why? What happens if the process uncovers a need to examine other parts of the organization? Is the organization willing to consider discontinuing certain parts of its operations?

Do you need to update the mission, vision, or values? This may not need to be a major part of strategic planning, particularly if there is agreement among the board that the current mission, vision and values are generally aligned with the organization's aspirations. If there is a major disconnect, however, an exercise to update the mission, vision and values may be warranted, even before significant strategic planning is undertaken. Alternatively, you can decide to go through the strategic planning process and then review the mission/vision/values at the end, in order to ensure alignment and determine whether to address any disconnects through either the strategic planning process or through amendments to the mission/vision/values.

4: Who should be involved in the process?

Final decisions are typically made by the board, with invaluable and significant input from staff, but other individuals and groups should be consulted and engaged in various ways.

These should include members and employees at a minimum, but could also include other organizations your members may also belong to (whether in Canada or elsewhere), eligible non-members, competitors (e.g. a provincial organization if you are a national organization), or other relevant groups. Taking a 360-degree approach to the process requires time and resources, but also adds enormous value. It is critical to develop and implement a communications plan for all stakeholders to build momentum and interest in the plan.

Often a strategic planning committee will be struck, which might have a few board members, some senior staff, other volunteers, and sometimes representation from member groups, or more junior staff. Committees of this kind can be incredibly valuable as a sounding board for processes or ideas, and can offer unmatched insight. It is important, however, to be clear on the role of these committees throughout the project, and to provide them with adequate support and guidance. Clear terms of reference and consistent ongoing management are both critical.

Regardless of how other elements of the approach are handled, the ED or CEO of the organization as well as the Chair or President of the Board have critical roles to play. They both must be prepared to devote significant time and -- possibly more importantly -- mindshare to this process. As the most senior stewards of the organization, they will generally feel an enormous sense of responsibility around this process, and it will become more absorbing as it goes on. Although it is demanding, this process can be incredibly rewarding, both personally and professionally.

5: What do you need to know to make strategic decisions?

Every organization has ways of understanding its stakeholders and environments on an ongoing basis, but the strategic planning process is a time to step back and take a systematic approach to this assessment. This provides a shared fact base for decision-making and can shorten some discussions by bringing in evidence to evaluate.

The organization's structure and the issues it faces should drive the research and assessment conducted, but there are some standard methodologies that most strategic planning processes should at least consider:

- Definition of key stakeholders: generally this may include members, volunteers, staff, board, any industry partners or sponsors, government funders or partners, clients of services offered (e.g. of revenue-generating services), other organizations (particularly those with interdependencies such as shared services or partnerships), strategic partners, and others.
- Plans for consultation with each key stakeholder group :
 - For members, a robust member needs assessment yields enormous value, typically obtained through both qualitative research (one-on-one interviews or focus groups), as well as quantitative survey tools.
 - A multilevel assessment of staff perspectives is generally needed to understand organizational issues. If the staff group is large enough, consider conducting a survey to get their perspectives.
- Scan of the external environment based on secondary research and other means, e.g. participation in conferences, seminars, or webinars.
- Evaluation of the organization's performance, including financial results, membership levels, program delivery, any compliance or policy issues, or other relevant measures. If a previous strategic plan had already laid out measures, then this can provide a good starting point.

Once this research has been conducted, it should be distilled into an analytical framework and presented to key decision-makers. A SWOT analysis (Strengths, Weaknesses, Opportunities, and Threats) is a common way to provide an analytical framework to enable decision-making.

6: How will you develop the strategies?

This is often the most challenging element of the strategic planning process – actually defining what the

organization will do, based on the analysis of its internal and external situation. This should be a somewhat creative process, while still grounded in the realities of the situation. Consultation should be broad, but at the stage of strategy development, the number of people involved may be limited to facilitate arriving at meaningful conclusions.

Some points to consider for the strategy development process are:

- If the situation is highly complex, very politicized, or involves a large number of board members who are not deeply conversant with the issues, it may work best to have a smaller group such as a strategic planning committee come up with the strategies for the board to review.
- If the board is relatively small and tends to take a strategic view, it may be worth considering facilitating strategy development with the Board itself, although this approach typically requires at least two full-day board meetings spread over a period of weeks or months.
- Strategies should collectively address the most significant threats and weaknesses identified in the SWOT analysis, to protect and strengthen the organization. They should also build on the organization's strengths and capitalize on the opportunities that exist in the environment, to be efficient in using the resources available.
- Scenario analysis can be an important part of strategy development; if there is a set of choices in front of the organization, you will want to assess the implications of each option. And if there are a number of different futures that the organization may face as a result of external forces, it will be important to understand your range of possible responses.

7: How will you manage the process?

While many organizations conduct strategic planning using internal resources, it is common to engage a third-party facilitator or consultant, either for certain components of the plan or to shepherd the process end-to-end. In determining how to manage the process, it is useful to understand where an external resource can add the most value:

- Conducting objective research on the membership and potential member populations.
- Facilitating decision-making, in order for staff and board members to participate rather than have to run the process, especially where there are contentious issues to be resolved, or when the organization is facing critical strategic decisions.
- Building common ground, particularly if groups involved (e.g. staff and Board) have a challenging working relationship, or limited familiarity with each other.
- Offering analytical resources and an outside perspective, which is more important where the internal or external issues are complex and require significant work to distill into recommendations.

- Bolstering internal resources, which often do not have sufficient capacity to dedicate adequate time to the process, or may lack specialized skills such as survey research and analytics.

Regardless of whether internal or external resources are used for the strategic planning process, it represents a significant investment of organizational resources and should be included in the organization's operational plan for the year as well as the Board workplan. Failure to anticipate the time required to engage in strategic planning, especially for staff but also for volunteers, can lead to frustration and burnout.

TRANSLATING THE PLAN INTO ACTION: TACTICAL PLANNING

Too often, strategic planning processes fizzle out once a high-level plan approved by the board. This is understandable; there may be some fatigue as a result of the effort that has gone into the strategic plan, and people involved may have deferred other work and feel an urgency to get back to their "real jobs."

However, the real work of the organization should be driven by the strategic plan. This happens most effectively when tactical planning knits the strategy together with implementation. If the results of the strategic plan are not integrated into the workings of the organization, then much of the investment in the process will be wasted.

Tactical planning process

Tactical planning should break the strategies developed down to meaningful activities (e.g. projects), and then assess how they might be implemented:

- What specifically should be done? What projects are required to make the strategies successful?
- How will you determine success for each strategy, and for each project? How will you measure that success?
- What dependencies exist between projects?
- What resources – financial, personnel (paid staff or volunteers), or other – are required for success?
- How long will these projects take to reach fruition and transition to business as usual?
- Who needs to be involved with these projects, both internally and externally?

Moving forward with tactical planning

Tactical planning marks the transition from decision-making to implementation, and therefore from Board to staff. This part of the process needs to be managed carefully so that it does not take too much time or energy. Estimates of time and resources should be made at a high level. Board members must be aware that the estimates may change with time and organizational learning.

Frequently, the tactical planning process leads to pruning of desired activities. This enables the organization to make choices before time and energy is devoted to tactics that they are not resourced to pursue, and it forces prioritization. As part of this, it is crucial to recognize how much (or how little) organizational resources are available for new strategic activities. While an ambitious organization with mission-oriented staff and board will want to do more than is possible with current resources, it is important to focus everyone's energies on the truly mission-critical tactics which will really generate real results, and not squander resources on too many ideas.

The outcome of the tactical planning process is then translated into the operational plan and budget for the first year of the strategic plan. Over the life of the strategic plan, each year's operational plans should begin with the strategic plan, as well as progress made to date.

A STRATEGIC PLAN IS A LIVING DOCUMENT: MEASUREMENT AND TRACKING

Once the combined strategic and tactical plan has been developed, the biggest danger is that it will be shelved and ignored as the organization gets back to its day-to-day operations. The majority of the investment in the planning process would then be wasted, since the plan developed has not become rooted in the organization.

So, how can the value of the strategic plan be maximized?

- First, the strategic plan should drive operational planning. Without this a strategic plan is an expensive stack of paper.
- Management team meetings should be oriented around the strategies.
- Board reporting should be structured so that board members can see progress toward execution of the tactics (e.g. changes implemented, people hired, training completed) as well as achievement of the strategies (e.g. progress in terms of defined measures of success identified).
- The strategy should be reviewed at least annually at both the senior management level as well as the board level, typically leading up to the Annual General Meeting.
- Many organizations find it useful to undergo a strategic review halfway through a strategic planning cycle, especially if the environment or the organization is going through a great deal of change.

SUMMARY

Strategic and tactical planning will be most successful when it is done in a spirit that enables experimentation and a willingness to recognize that both the external environment and the organization itself are both changing. Strong leaders of professional associations, both staff and board, retain strategic flexibility in order to respond to emerging issues and new opportunities to strengthen their organizations.

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