PUT AN END TO THE
EPIDEMIC

ORGANIZATIONAL EFFECTIVENESS SERIES:
BUILDING HEALTHY ORGANIZATIONS

STRATEGIC MANAGEMENT

Tools and Resources for Building Healthy Organizations

NMAC LINC

ORGANIZATIONAL EFFECTIVENESS SERIES:
BUILDING HEALTHY ORGANIZATIONS

STRATEGIC MANAGEMENT

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CHAPTER ONE – GETTING STARTED

Welcome and Introduction

Welcome to the National Minority Aids Council (NMAC) *Strategic Management Manual*. We're excited you've joined us. Strategic thinking, planning, and execution are critical to the success of your Community Based Organization (CBO). Once you've committed to the process and gained its associated skills, you'll see in sharper focus what matters most, make better use of resources, and get a stronger return on investment (ROI).

We designed this manual as a step-by-step guide and included lots of examples and diagrams to help clarify key points. Follow the action plan in this manual and you will:

- **Impact** the individuals, families and your community in new and better ways.
- **Allocate** resources (time, people, money, contacts) more effectively.
- **Grow** your organization.
- **Achieve** long-term sustainability.
- **Intensify** the strategic contributions made by each and every staff and board member.
- **Enhance** your reputation throughout the community.

What You Will Find In This Manual

Each chapter includes:

1. Objectives
2. Practical and doable content
3. Activities to help you move forward
4. Tools you can use

Overview of Strategic Management

Objectives:

1. Increase your understanding of strategic management and how it helps you move your CBO's agenda forward.
2. Strengthen your knowledge of (or review) strategic planning.
3. Introduce and help you understand and embrace the concepts and skills involved in strategic thinking.

Tools and Templates:

1. "Using Your Time Wisely" worksheet
2. "Allocating Time to Programs, Services, and Activities" worksheet

Defining Terms

Rich Horwath, author of "Deep Dive," defines **strategic thinking** as the generation and application of insights (tied to your CBO's mission, vision, values and work) on a continual basis to achieve (maximum mission impact, growth and long-term sustainability).[1] There are ten strategic thinking skills:

1. Confirming mission. Creating a compelling vision and strong set of organizational values
2. Understanding the current situation
3. Mastering the ability to link two or three pieces of information together to achieve an insight, allocation of tangible, intangible,[2] and human resources and taking action to achieve goals
4. Generating new ideas
5. Creating distinct programs and services with superior value
6. Determining value (costs, ROI)
7. Deciding where to focus capital, talent, and time
8. Capturing the essence of the societal problems your CBO is solving and the opportunities it affords
9. Creating new value for the people you serve, the influencers and volunteers who help you, and the donors who invest in you
10. Strengthening the team's ability to improvise, adapt, and excel through adversity

We go into depth on the above concepts in Chapters Six and Seven.

[1] Rich Horwath adapted for the not-for-profit sector by Karen Osborne,
[2] Intangible resources are things like brand, culture, and reputation.

Strategic planning is the channeling of the insights generated by strategic thinking into an action plan to achieve your vision, overarching goals and objectives.[3] We go into depth about strategic planning in Chapters Two, Three and Four.

Strategic management is a point of view and set of actions.

- All leaders of the organization must be adept at strategic thinking; it is a valued and rewarded competency.
- Strategic thinking, planning, and plan execution are key to maximum mission impact and sustainable growth.
- The strategic plan is a living document and active management tool.
- Strategy, based on data, assessment, and insights, is at the heart of all decision-making
- Resources are allocated based on strategy.
- Leaders, staff, and the board execute strategy to achieve agreed upon goals.

According to Michael Mankins' research,[4] 80 percent of top management's time is devoted to issues that account for 20 percent of a CBO's long-term success. The benefits of strategic thinking are manifold. In contrast, consider the ramifications of the <u>lack of strategic thinking</u>:

1. Wasting time on ineffective activities
2. Squandering resources
3. Slow or no growth
4. Failure to thrive during economic downturns
5. Failure to thrive during times of adversity
6. Lack of innovation
7. Poor problem-solving
8. Constant crisis management
9. Mission drift or creep
10. Board members and staff dissatisfaction
11. Limited mission impact (or failure to maximize mission impact)

[3] Rich Horwath adapted for the not-for-profit sector by Karen Osborne.
[4] "Stop Wasting Valuable Time" Harvard Business Review, 9/2004

Now, who wants to cause or have any of these results?

Here's another way to look at the benefits of planning.

Figure 1: Planning Benefits

Planning Time	Execution Time	Time and Money Spent Fixing Problems

Planning Time	Execution Time	Time and Money Spent Fixing Problems

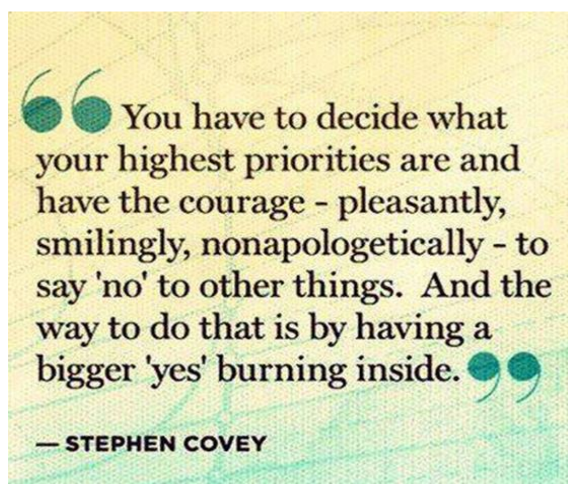
Reality Check

"Strategic thinking, management, and planning take a lot of time. We're a small organization with limited staff and resources. The board wants us to do this, to act "more like a for-profit," but they don't understand our limitations."

It's true, thinking and planning do take time. You'll have to carve out time, which may require not doing something else. What activities fall in your teams' "Urgent but Not Important" box that you can eliminate so you can take on a "Not Urgent but Important" task such as strategic thinking and planning?

Figure 2: Urgent and Important by Stephen Covey

Urgent and Important	Not Urgent but Important
Urgent but Not Important	Not Urgent and Not Important



In addition, board members' expectations can overwhelm the team during the planning process. Aspiration is great, but you may not have the ability to achieve the lofty goals encouraged by the board. What to do?

William Pawlucy suggests four strategies for keeping expectations and resources aligned.[5]

1. **Track Time –** Figure out where you

[5] William D. Pawlucy, MultiBrief: Managing Your Expectations and Workload During Strategic Planning, 5/2015

are currently spending time so you can make decisions about how to fit in strategic thinking and planning. Allocate time to specific programs, services, and activities. This exercise will help you on many fronts. See the "Using Your Time Wisely" worksheet.

2. **ROI** – Once you've figured out where your team is spending time, you can assess the return on investment. For example, a special event you hold every spring may net, after expenses, $30,000. But when you factor into staff and volunteer time, the net is really $5,000. When you and the board review time allocation, you'll have the ability to eliminate or repurpose those activities that are less profitable.

3. **Work plan** – One of the most important elements of realistic execution of each goal of the strategic plan is to allocate staff time to the work plan.

4. **Budget** – Of course, you'll tie a dollar budget to the strategic plan. However, budgeting human resources is also very important. For each goal, determine the needed human capital. This will help you and the board members make decisions around adding or reallocating staff, consultants, and/or outsource contracts.

Action Steps

- Have every member of the senior team fill in the Stephen Covey "Important and Urgent" grid. For example:

Important and Urgent • Responding to client needs • Meeting with government officials to advance our agenda; build relationships • Meeting with top donors and influencers	**Not Urgent but Important** • Daily time for strategic thinking • Strategic planning • Coaching my team
Not Important but Urgent • Emails • Other people's urgencies • Some meetings, especially ones that take more than an hour	**Not Urgent and Not Important** • (Whatever wastes your time but has no urgency tied to it)

- Have member of the senior team fill in the "Using Your Time Wisely" worksheet. If you are the Executive Director (ED), fill it in as well, and have the board chair fill in column four.
- Bring both the Covey grid and the worksheet to a meeting with your supervisor. Discuss any areas where there is a lack of alignment. What are the causes? What changes could you make? To what could you say no, so you can say yes to the right things?

- Next, have the team fill in time allocation by program, service, and major activities. Tally the results into one document. Set this aside for the strategic planning process or use it to adjust your current plan.

CHAPTER TWO – STRATEGIC PLANNING

Overview of Strategic Planning

A strategic plan is a leadership and management tool. For many organizations, the process of strategic planning serves as the catalyst for change. It is one of the core building blocks of a great organization.

Objectives:

1. Increase understanding of the purpose and value of strategic planning.
2. Gain a deeper understanding of how to use the plan to move the organization forward.
3. Explore the planning process in order to determine the right process and timeline for your CBO.
4. Identify the people in your CBO who need to be involved.

Organizational Building Blocks – Defining Terms

Mission: This is your long-term purpose. Mission answers the question: why does your CBO exist? What are you trying to achieve? What specific results are you seeking? Have your constituents changed? Do we need to revisit our mission?[6]

For example, UNICEF provides children with health care, clean water, nutrition, education, protection, emergency relief, and more. Whatever it takes to save a child in need.

Vision: Defines and describes your future state – what do you want to accomplish over the next three to five years? What societal impact do you want to achieve? ”Vision is a compelling picture of the future with some implicit or explicit commentary on why people should strive to create that future.”[7]

[6] Peter Drucker Foundation

[7] John Kotter

Continuing with the UNICEF example, their vision is:

Notice it doesn't cover everything they do. They focused on what they can accomplish in a shorter time. Every year they report on progress.

Values. Organization values are foundational principles that guide thinking and action. Values help you foster unity of purpose. They also differentiate you from other organizations. The following example illustrates this:

Ed smashed my car. He backed into me while looking the other way. That accident sent me to a collision center. This company only fixes cars for insurance companies. It has no other higher purpose. When I opened the front door, dead ahead was a huge plaque listing the company's values.

- *Respect*
- *Commitment*
- *Honesty and Integrity*
- *Customer Service*
- *Positive Mindset and Workplace*
- *Listen*

I have to admit, I was skeptical. A collision center. Really? So, I inquired at the front desk. "May I ask, how real are those values on the wall? How does the company use them? To what end?"

The young woman gave me a big smile. "We are evaluated on them monthly. We give out an award to the employee who most exemplifies our values at our monthly staff meeting. Would you like a copy of our values brochure?

Now, if a collision center can have and live its values, surely your CBO can and should.

Strategic Plan Uses and Benefits

A strategic plan is your path to achieving your vision in alignment with your mission and values. It strengthens your ability to achieve your vision and instills confidence in staff, volunteers, donors, and potential donors in that ability.

It ensures that you are doing the right things with the right resources at the right time.

A plan helps you focus, to say yes to the right things and no to the extraneous or worse.

Without a plan, any road will do.

A good plan answers these critical questions:[8]

1. What do we know about our internal strengths and weaknesses?
2. What are the external threats and opportunities we face?
3. What do our customers (clients, donors, volunteers, supporters) consider value?
4. What should we do about what we've learned? Which of the weakness and threats do we want to address since or if we can't fix them all? Which of our strengths do we want to advance? Which opportunities offer the most promise?
5. Where should we focus our efforts?
6. What, if anything, should we do differently?
7. What do we want to achieve?
8. How will we measure success?
9. What resources will we need?
10. What timeframe will apply?

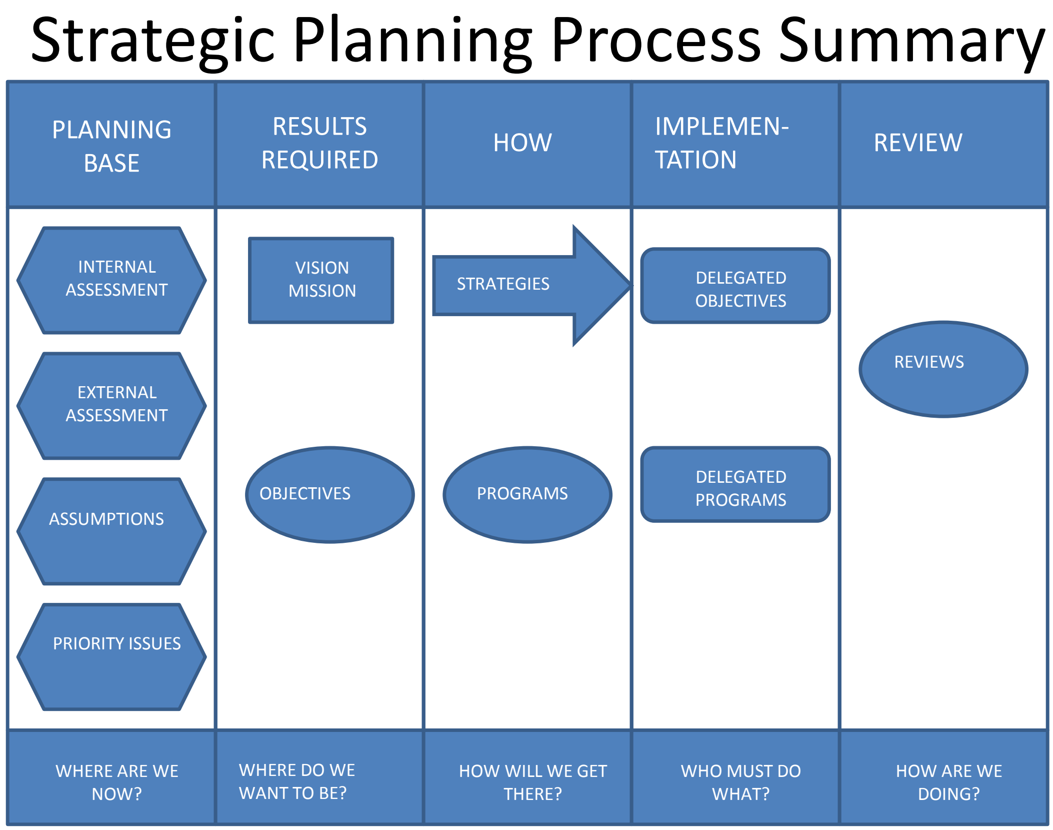
Components of the Strategic Plan

1. Mission confirmation
2. Vision
3. Values
4. Environmental (internal and external) assumptions
5. Our focus
6. Overarching SMART goals (Specific, Measurable, Achievable, Results-oriented and Timed)
7. Tactical actions and RASCI (who is: Responsible and has authority, Accountable, provides Support, needs to be Consulted, must be kept Informed)
8. Budget, including staffing implications
9. Key performance indicators
10. Evaluation schedule for progress against goals

[8] Some of these questions come from Peter Drucker, "The Five Most Important Questions You Will Ever Ask about Your Nonprofit Organization"

The Planning Process

Figure 3: Planning Process Summary[9]



Source: Team-Based Strategic Planning by C. Davis Fogg

<u>Planning Committees</u>

Many organizations find having an ad hoc committee responsible for moving the process forward is an important success factor. We recommend forming two committees. First, a strategic planning committee consisting of key staff, including, at a minimum, the ED, chief financial officer, chief program officer, and chief development officer. Other staff may be included as deemed appropriate. This committee should also include the chair of the board and perhaps other board members whose involvement will be integral to the success of this process.

This committee drives the process, if applicable, meets with the consultant/facilitator on a regular basis, reports to the board on its progress, seeks input from stakeholders, and drafts and finalizes the plan.

[9] Team-based Strategic Planning by C. Davis Fogg

Second, we recommend the formation of a working committee consisting of staff and the facilitator or consultant, if applicable. This committee's primary function is to provide support and recommendations to the strategic planning committee. Therefore, activities will include gathering and analyzing data and information, assessing trends, providing options for consideration, and responding to planning committee requests. This is a smaller working group.

The working committee meets at least weekly during the early stages of the project and then as determined appropriate thereafter. It is often advantageous to schedule one face-to-face meeting of the working committee to coincide with strategic planning committee meeting dates.

Baseline Assessment

1. Start with your last strategic plan, looking at what worked and what, if anything, didn't. It is important to consider, a) which objectives were satisfactorily met, requiring no further action, b) where you underperformed, requiring further action and perhaps a different approach, and c) which priorities were not addressed at all, requiring the need for new strategies and programs.

2. Examine your current operations. What works, what doesn't and why? Measure results against goals and key performance indicators.

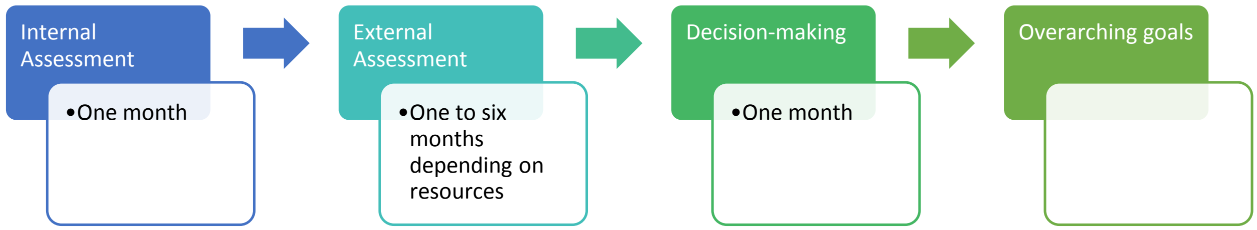
3. The next step involves gathering external information and data for review and analysis, including market research. For example, how does the community perceive your CBO? How are the people you serve perceived? What do government officials, media reps, and donors believe about your CBO? How do local health providers think about your work and the people you serve? What laws need changing? What do the people you serve believe they need from you? How do they feel about current services? You can gather this information from existing research, conduct focus groups and individual interviews, or hire a firm to help you.

4. The working committee gathers, analyzes, synthesizes and presents the information to the strategic planning committee.

5. Decision-making follows. What do we want to fix? What opportunities do we want pursue? What results do we seek?

6. From there, you're able to set your overarching strategic goals.

Figure 4: Timeline



Action Steps

1. Look at your mission, vision, and values statements. Don't have all three? Get them done.
2. Does everyone in the organization and on the board know them? Are they compelling and clear?
3. How are you using them, ensuring that the organization is on track and in line with its values? Identify the steps you are using and the metrics you are tracking.
4. Set your strategic planning calendar for the first steps of planning.

CHAPTER THREE – ASSESS YOUR CURRENT STATE

Overview of Assessment

Jim Collins, in “Good to Great and the Social Sectors,” talks about the importance of “confronting the brutal facts.” He calls it “The Stockdale Paradox.” First, you must retain unwavering faith that you will succeed in the end, regardless of the difficulties you face. Think about that for a second. You must believe in your mission and vision with passion and commitment even during rough times. At the same time, he adds, you must have the discipline to confront the most brutal facts of your current reality.

Key to successful strategic management is the ability to do both.

Objectives:

1. Gain or burnish skills in uncovering strengths, weaknesses, opportunities, and challenges.
2. Increase skills and determination in deciding what you will stop doing, what you will keep, what you will improve, and what you need to create to accomplish your goals.
3. Strengthen your strategic questioning and listening skills—essential in uncovering tough truths.

Tools and Templates:

- Strategic and generative management questions
- Donor satisfaction survey

Systematic Assessment

In the CBO world too many of us are careless when it comes to measuring results. We are often content with anecdotal results—the success story of one or two clients. Perhaps we tell ourselves that as long as we’re making things somewhat better for the people we serve, then that’s good enough. The worse excuse is, “What we do isn’t measurable.”

Of course, it is.

What are you trying to achieve? Change legislation, educate the medical community, inspire champions, raise X amount of money, provide key services to people suffering with HIV? If you haven’t done so already, identify meaningful measures against those goals. What does success look like? How do you know you are doing a good job? Begin by seeking input.

ASK your staff members the following questions:

1. *What is the purpose of (the activity)?*
2. *Why is this important, urgent? Towards what end?*
3. *What constitutes success for this effort?*
4. *How will you measure success? What metrics are you tracking? Why are they the best ones to monitor?*
5. *What kinds of data do you have/will you need to determine the best course of action? How so?*
6. *What will be necessary to accomplish this goal? How are you ensuring those resources? How are you monitoring progress?*
7. *What reports are you analyzing on a regular (monthly, quarterly, or annual) basis?*
8. *Suppose questions—suppose we tried this, suppose we had this, what difference would that make?*
9. *What outcomes do you anticipate?*
10. *What will the impact be? How will you measure it?*
11. *Is there something different we could try? What will the impact be?*
12. *How have you accomplished this in the past? What parts worked well? Why? What didn't? Why? What data do you have that support your conclusions?*
13. *How are we doing against goal? Why?*
14. *What steps are you taking to address that? Why are those the best steps to take?*
15. *What specific things do you recommend for improving our performance?*

These are important questions to ask your senior staff members and for your managers to ask their teams. Use the questions to uncover both quantitative (data based on numbers) and qualitative (descriptive data not based on numbers) information.

Ask your questions systematically, ensuring broad input. Make sure to focus your questions on the most important information. What are your established key performance indicators (KPIs) and how are doing against them?

Organize the answers.

Figure 5: Performance Worksheet

Performance Results	Quantitative Data	Source	Qualitative Data	Source
Mission impact				
Clients served				
Fundraising				
Fee for service				
Board performance				
Volunteers and advocates				
What else?				

Another way to think about this is Impact and Profitability

On what programs and activities do you as CEO and program staff members spend the most time? How important is each of those activities in terms of impact on the goals of your CBO and client outcomes and satisfaction? Do the same with your fundraising activities. Special events, grant writing, direct mail, major gift and planned giving program, corporate sponsorships—what impact do they have on donor identification, giving, retention, upgrades and satisfaction? Map them.

Figure 6: Impact and Profitability Map[10]

Hearts High Impact Low Profitability **Action: Keep but contain costs or increase income**	**Stars** High Impact High Profitability **Action: Invest in, grow the programs**
Stop Signs Low Impact Low Profitability **Action: Close, divest**	**Money Trees** Low Impact High Profitability **Action: Nurture, increase scope so they have a higher impact**

[10] Steve Zimmerman, "Nonprofit Sustainability"

Can you rev up the profitability of those activities you've identified as Hearts (popular, high visibility, makes a difference, but costs so much or brings in so little)? Is there a way to make your Money Trees shoulder more responsibility in terms of the mission, vision, and strategic goals? Are you nurturing your Stars? Can you drop your Stop Signs?

External Key Performance Indicators (KPIs)

You should also tie some of the KPIs to customer, influencer, and donor feedback.

Conducting an external assessment is important to this process and seeking input from stakeholders makes it more effective. In addition to discovering possible unmet community needs, it helps identify potential opportunities to exploit and potential threats to address. Using existing data analysis and select interviews, you can get a clear picture of your CBOs' external environment as it relates to forces critical to its future. You will want to consider evolving governmental and political policies, economic pressures affecting your client base, and socio-demographic changes. As part of the external review, you will want to understand client, donor, and partner perceptions of your organization.

1. Identify thought leaders from partner and potential partner agencies.
2. Some CBOs like to include key funders in the external review, especially if they anticipate requiring substantial new resources.
3. Survey clients, taking one of several approaches:
    - On-site before or after they receive services using a short multiple-choice questionnaire. For this option, consider at least 30 interviews using a random sample of respondents.
    - Conduct an online survey using Survey Monkey or another inexpensive online service.
4. Conduct a donor satisfaction survey.

An online survey can work if you have good email addresses. Phone surveys work well. Mail is the most expensive. As mentioned above, you want to know information from customers, volunteers, and donors. Sample questions include:

1. From your perspective, what are we doing well? Can you say more about that?
2. What difference are we making in the community? How so?
3. What aspects of our mission matter the most? How well are we addressing those issues?
4. How have we affected your life (your family members' lives) (our community)?
5. As you understand our vision for the future, what do you find the most compelling? Why is that?
6. To what degree do our organizational values align with your personal values?
7. From your perspective, how well do we live our values?
8. What, if anything, might we do better in order to be more effective? Can you say more about that?

People Issues

As part of your assessment, take a hard look at staffing and board make-up. Do you have the right people, with the right skills and competencies, in the right positions, doing the right things?

Figure 7: Staffing

Defining Terms

- **Skills** – For example, the person you are seeking knows how to get an appointment and how to ask for a gift, request a media placement, or write a proposal.
- **Experiences** – For example, the person has successfully closed many $1,000 to $25,000 gifts every year, successfully re-branded a not-for-profit.
- **Competencies** – For example, the person can learn on the fly, has interpersonal savvy, is a strategic thinker, great listener and questioner, empathetic, and assertive.

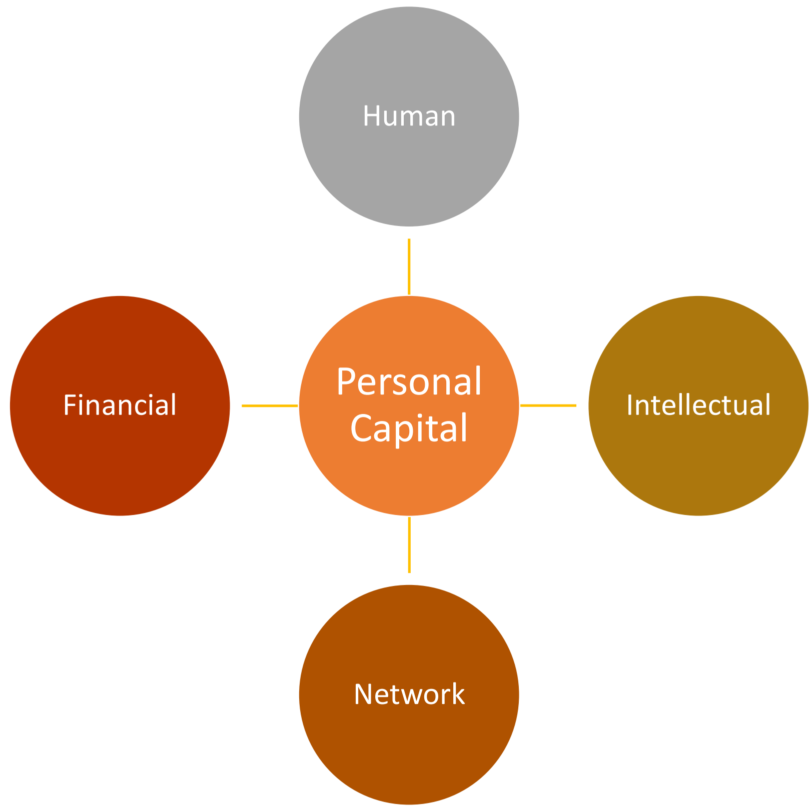
You also want to measure ambition, learning, innovating. Does he or she want to learn to grow, is willing to take chances and try new things?

Level of engagement is also important. Is he or she a collaborator, ask questions, willing to lend a hand? Is he or she a source of fresh ideas?

Assess the Board

A great board has members who are "All in." They generously bring all of their personal capital to your CBO.

Figure 8: Personal Capital[11]



Human Capital

- Demographics (age, ethnicity, part of the country residing in and from originally from, and so forth)
- Willing and able to make time
- World view (thinks locally, regionally, nationally, globally)
- Creativity, entrepreneurial, risk taker, innovator
- Competencies (connector, empathy, listener, resilience, grit, humility, will to succeed, high energy and contagious enthusiasm, generosity, emotional intelligence, and so forth)

Intellectual Capital

- Strategic thinker and/or tactical thinker
- Strategic agility
- Intelligence level

[11] Ernie Ludy, Founder Medstat

- Expertise (work, hobbies, past work, training, served on boards, fundraised)
- Leadership and management skills
- Relationship and coalition building skills
- Is a connector
- Other skills

Network Capital

- Network capital is made up of all networks the individual has access too, and all the connections that might lead to broader or new connections.
  - Work, religious, civic, school
  - Media leaders and influencers
  - Government leaders
  - Networks and connections writ large

Financial Capital

- Capacity and inclination to make philanthropic investments
- Assess to foundations, corporations, other individuals of affluence and influence who might help the organization in some way

In addition, there are behaviors you seek:

1. Passionate belief in mission and/or cause in general and in your CBO specifically.
2. You are number one, two, or three among his or her philanthropic and volunteer charities.
3. Participates—comes to all meetings, comes prepared, actively participates.
4. Supports the ED.
5. Informed and articulate ambassador for cause and CBO; identifies with your organization in public and private settings.
6. Generous and loyal donor.
7. Demonstrates highest levels of integrity.
8. Is “all in”—shares “personal capital” generously and effectively.
9. Gets along, knows how to collaborate and gain consensus.

Finally, list the **strategic attributes** based on your strategic goals each board member brings. Perhaps you require greater diversity in a particular demographic, a lawyer willing to provide pro-bono assistance, a physician, or a client representative on the board.

Using the Assessment Worksheet, list each board member. Fill in the Human, Intellectual, Network, and Financial—what they possess and to what degree they share their personal capital.

Figure 9: Board Assessment—Personal Capital and Behavior Worksheet Example

Name of Board Member	Human Has Shares	Intellectual Has Shares	Network Has Shares	Financial Has Shares	Demonstrated Behaviors (List all)	Strategic Attributes
Ann	67 years old Westchester County Black National world view Risk taker Innovator High emotional intelligence	Smart Consensus builder Fundraising and strategic planning expertise (Willing shares)	Member of the Links, Chamber of Commerce (Has not made any connections for us)	Affluent Has many affluent friends (Gives but doesn't help fundraise**)**	Demonstrates 1, 3, 4, 6, 7 and 9	Fundraising experience Gender diversity Geographic diversity Member of the family has HIV

Assumptions

An integral component of the baseline assessment is developing a series of assumptions about the future, including:

- Client population (growth or decline)
- Service scope and intensity
- Finances
  - Operating revenue
  - Charitable revenue
  - Endowment performance
  - Expense requirements
- Market capacity (e.g., other organizations providing the same/similar services).

Gather what is true today first. Much of this information might be available through government and/or foundation sources. Peers may have access to such information. A student from one of the local colleges may be willing to gather existing information as part of an unpaid internship or a paid short-term project. Then, based on your research and in-house expertise, develop a set of predictions or assumptions about the future.

Rank your assumptions—how important, how accurate, and what will be the impact on you programming.

Assumption	Level of Importance High, Medium, Low	Level of Confidence in Accuracy High, Medium, Low	Level of Impact High, Medium Low

Priority Issues

The results of the foregoing process will likely reveal a number of issues, perhaps too many to address effectively. Identify the top three to five priority issues that will most affect your work. These priorities will serve as the basis for the strategic programs to come later.

For example, your client population has been going down. Their needs are changing as well. What impact can/should that have on the services you provide and the amount of philanthropic dollars you will need? Are there staffing implications?

Staff and Board Retreats

At the conclusion of the internal and external assessment, you will have a strong picture of where your CBO stands today.

1. Compile all your findings; organize.
2. Discuss them at a senior staff retreat; consider hiring a facilitator.
3. Share your findings with the program and fund development teams; seek feedback.
4. Share them with the board for discussion and consensus; consider a board retreat with a facilitator.
5. Adjust your strategic goals if the new information leads to different objectives.

Action Steps

1. Set a timeline for getting this work done.
2. Form a task force or use your internal strategic planning committee to gather the needed information and compile it.
3. Seek input from staff; organize the information.
4. Assess impact and profitability.
5. Survey external constituents and stakeholders.
6. Assess staff.
7. Assess board of directors.
8. Develop your assumptions; rank order.
9. Agree on priority issues.
10. Hold staff and board planning retreats.

CHAPTER FOUR – SUCCESSION PLANNING

Overview of Succession Planning

According to a national study by The Improve Group, a talent management consultancy, nonprofits are not prepared for leadership succession. “Sixty-nine percent of nonprofits surveyed reported not having a formal succession plan for senior leadership. As the baby boom generation of nonprofit leaders retires, the lack of a formal succession plan may endanger nonprofits’ ability to effectively prepare for leadership transition and put organizational sustainability at risk.”

Board leadership is also important. The people in key board positions (Chair of the Board, Chair of the Committee on Board Development, Chair of Fund Development and Marking) have a direct impact on the resources of the organization.

Therefore, it is essential that thoughtful succession planning be in place.

Objectives:

1. Define key terms essential to succession planning
2. Establish key factors vital to the succession planning process

Defining Terms

Succession planning and replacement planning serve two different purposes. Both are concerned with planning for staff changes.

If someone leaves the organization, who will take on his or her mission critical tasks?

What happens if someone receives a promotion, takes on another position within the organization, or goes on sick leave?

Both succession planning and replacement planning help smooth the way. The difference is that replacement planning focuses on back-up candidates for key leadership positions. If the CEO leaves, is there someone within the organization that can step in? Would we want to do a national search, because the person we have in mind would be a good interim but not the permanent CEO. Who is in line to be the next board chair?

Succession planning, on the other hand, takes a broad view of developing and nurturing leaders and stars throughout the organization and board of directors who are prepared to take on key positions as they become available. Who are the stars on the staff? How do we nurture their talents, help them develop strong leadership skills? How are we cross training them?

When I was Director of Corporate Relations in the fundraising office of a major university, my boss and I often traveled together on donor visits. I'd set up several corporate visits and he'd set up visits with major individual donors. During our travel time to these visits, we talked about every aspect of fund development. He shared stories and asked me many questions. During the donor visits, I watched him at work and he saw me in action as well.
Back at the office, he gave me leadership assignments, let me try things, and sent me to conferences about other aspects of fund development. When the President tapped him to become the new Vice President, he chose me to take his position as Director of Development. I was surprised, scared. Then he reminded me how well prepared I was—all the months of teaching me, supporting me, and investing.

I was ready.

This is an example of both succession planning and replacement planning. I wasn't the only employee he nurtured. He'd invested in several others he considered "stars." I did the same for my team. We didn't have to search for my replacement. He was already on the team.

Both succession and replacement planning are important. Replacement planning is much easier to accomplish. It also achieves more when there is good succession planning in place.

Return on Investment

Imagine one of your key workers goes on extensive sick leave. What happens? Staff scrambles to pick up the slack. Frustration mounts as team members try to cover their responsibilities as well as the absent employee's critical tasks. Morale, customer service, and the bottom line can suffer. Opportunity costs might mount.

Anticipating this can have the opposite effect: smooth and seamless transitions, peace of mind, and a strong bottom line.

Objectives

According to Wikipedia, many companies excel at success and replacement planning, including Marriot, GE, Microsoft and Pepsi to name a few. They all have the following objectives in common:

- Identify those with the potential to assume greater responsibility in the organization.
- Provide critical development experiences to those who can move into key roles.
- Engage the leadership in supporting the development of high-potential leaders.
- Build a data base that can be used to make better staffing decisions for key jobs.

In other companies, they embed the following additional objectives in the succession process:

- Improve employee commitment and retention.
- Meet the career development expectations of existing employees.
- Counter the increasing difficulty and costs of recruiting employees externally.

Staff Retention

Key to succession and replacement planning is staff retention. High turnover leaves your CBO without enough potential leaders and no bench strength. The smaller you are, the more critical the issue. Fortunately, there are good solutions.

Step One: Clarity of expectations and responsibilities. What are the top buckets of responsibilities for each position?

Everyone position has three to five large areas of responsibility. Your Chief Development Officer (CDO), for example, might have these five buckets of responsibility listed in their order of importance.

1. Developing and implementing a comprehensive three-year plan for achieving the fundraising, marketing, and volunteer goals; making a goal each year
    a. Vision, values, goals
    b. Tasks, responsibility, due dates
    c. Metrics, monitoring, reporting
2. Staffing the office—hiring, coaching, monitoring, evaluating, team building; talent management
3. Supporting the fund development and marketing responsibilities of the CEO and board leaders
4. Managing a portfolio of top prospective donors

a. Strategy development
b. Visits, engagement
c. Solicitations and closing

5. Being a contributing member of the senior management team

What percentage of time should each bucket receive?

Figure 10: CDO Responsibility Chart Example

Responsibility	Percentage of Time CDO Believes in Ideal	Percentage of Time CEO Believes is Ideal	Actual Time Spent	Alignment Solutions
Planning	10%	10%	2%	
Staffing	40%	20%	50%	
Supporting CEO and Board Leaders	20%	40%	8%	
Portfolio Management	20%	20%	20%	
Senior Staff	10%	10%	20%	

In this example, there are serious alignment issues. Resolve them. Come to agreement.

Step Two: Document details about responsibilities for further clarity about each leadership position. Make sure the job description is up to date. As part of this task, identify the top skills, experiences, and competencies required.

Step Three: Have a "stay conversation"[12] with your stars—staff members you are nurturing for possible leadership positions or just want to keep. Ask these six questions:

1. *What will keep you here?*
2. *What might entice you away?*
3. *What is most energizing about your work?*
4. *To what degree are we fully utilizing your talents?*
5. *What is inhibiting your success? What would enhance your chances for success?*
6. *What can I do differently to help you be more effective? More satisfied?*

[12] Love 'Em or Lose 'Em, Beverly Kaye and Sharon Jordan-Evans

Staff Development Plan

Step Four: Create a staff development plan. Consider how adults learn and grow on the job.

70% of the learning comes from work experiences, special assignments, task forces, temporary assignments, job shadowing and so forth.

20% comes from feedback from managers, peers and team members, and other relationship-based activities like coaching and mentoring.

10% comes from formal training and reading.

As you construct the staff development plan, keep these percentages in mind. Just sending someone to a conference is not enough.

Figure 11: Staff Development Plan

Skill, Experience, Competency, Attitude Gap	Personal goals, interests, aspirations	Strategies
		Experiences:
		Relationship actions:
		Training:

For example, you believe the chief program officer would make an excellent ED. She's not sure she wants that level of responsibility. She also needs to grow in a variety of areas. You had a "stay conversation" with her and learned:

- She hates fundraising (an important aspect of any ED's job).
- She doesn't know all the board members and worries they don't like or respect her.
- She aspires to be an ED but sees that as a long-term objective.

In your evaluations of her, you wish she were better at delegating.

Figure 12: Completed Example of Staff Development Plan

Skill, Experience, Competency, Attitude Gap	Personal Goals, Interests, Aspirations	Strategies
Fundraising	Hates it; needs to learn	**Experiences**: Go on stewardship visits, sharing the impact of giving so she can see the power of giving, get to know some of the donors in non-threatening or soliciting manner.

		Relationship actions: Have conversations with ED, coaching.
		Training: Attend a local conference designed for program staff and fundraiser partnerships.
Board Exposure	Needs more	**Experiences:** Serve on a task force with chair of the board.
		Relationship: Coaching from ED
		Training:
Delegating	Tends to micro-manage	**Experiences:**
		Relationship: Coaching from ED
		Training: Take management webinar series being offered by local college.

Be sure to think about ways your stars can "move forward" if you don't have ways for them to move up because there are no vacancies or the employee isn't ready. Here are three ways to help your stars move forward rather than leave.[13]

1. Lateral movement: moving across or horizontally
    a. Applying current experiences, skills, and competencies to a new assignment. This can help someone you're grooming for a leadership position better understand all aspects of your CBO.
2. Enrichment: growing in place
    a. What can your "stars" do or learn to do that will energize their work and bring them closer to achieving their personal growth goals as well as organizational goals?
    b. Task forces, inter-departmental committees, running the staff retreat, trying out a new idea or approach
    c. Ask: *What could be added to your job to make it more satisfying?*
3. Exploration: temporary moves intended for researching other options
    a. Taking a short-term assignment in another part of the CBO
    b. Participating on a project within another part of the CBO

Marianne ran information systems, research, and IT in a large nonprofit. They had a huge event coming up and she asked if she could help. The ED asked what aspects of the event most interested her. She said she was an excellent project manager and had some new ideas for making the event fresher by adding special effects and using new media. Perfect. The ED let her take charge and run with it.

Ask:

[13] Kaye and Jordan-Evans

1. *Which of your skills could you apply beyond your present job?*

2. *If you make a lateral move, what long-term career opportunities does it provide?*
3. *What three skills are most transferable to another department?*
4. *What other areas of our work interests you?*

Yes, you might lose a good employee from your team, but your CBO will not lose a talented and committed individual to another organization. Besides, people appreciate being valued. Just having these conversations will help you keep your highest performers.

Board Succession Planning

Just as you must have clarity of responsibilities and skills for staff members, you need the same for your board members.

<u>Must Have Qualities and Behaviors – 100% of the Board</u>

1. Your CBO should be number one, two, or three on their list of charities; passionate about the cause.
2. A generous donor to your CBO commensurate with his or her means
3. Demonstrated integrity
4. Able to get along with others. Not a yes person, but respectful of differing points of view, willing to listen, asks thoughtful questions
5. Informed advocate and champion
6. Understands the importance and power of philanthropy

<u>Very Important Qualities and Behaviors – 40% to 70% of the Board Should Have these Qualities</u>

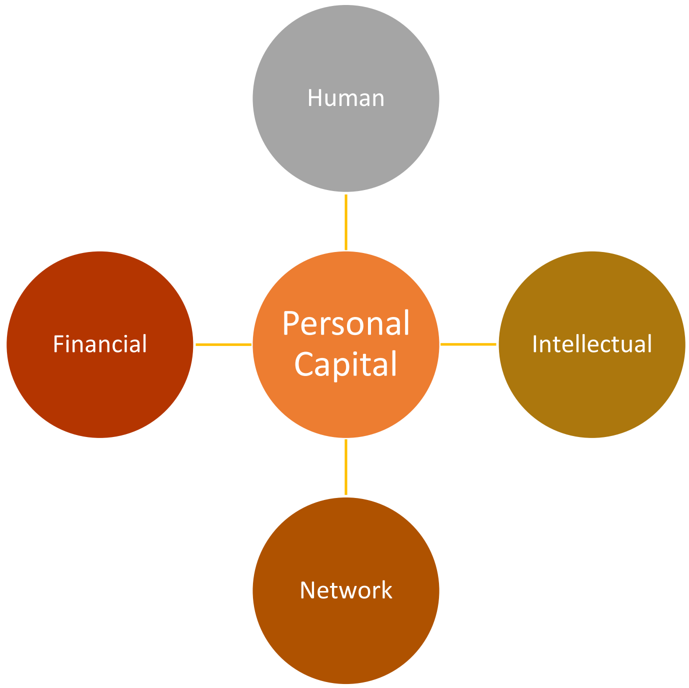
1. Needed expertise
2. Strategic thinker
3. Network of influence and affluence
4. Capacity to give larger gifts ($10k+, $100k+, $1,000,000+)
5. Meets diversity goals

For many of our organizations we focus on the wrong things. “We don’t have enough people from this corner of the State.” “We need a physician representative.” “We need someone who has benefited from our services.”

Another way to look at this is thinking about Personal Capital.[14]

[14] Ernie Ludy, Founder of Medstat

Figure 13: Personal Capital



Human capital represents one's life experiences, his or her time (what that person is able to devote to your CBO); an individual's background and what that helps them bring to the table; competencies like empathy, strategic agility, grit; worldview.

Intellectual capital represents areas of talent and expertise, intelligence, strategic or tactical thinking, relationship and/or coalition building skills.

Network capital represents connections writ large—college connections, business, faith, civic, and so forth.

Financial capital represents capacity to give philanthropic investments, access to other sources of funds, ability and willingness to fundraise.

When thinking about the composition of your board, ask yourself:

- What is the make-up of personal capital that you need in your board?
- What personal capital already exists?
- How are you maximizing these resources?

Board leaders should exemplify these qualities. In addition, they should have an outstanding and supportive relationship with the ED.

Recruit for these qualities. Nurture potential leaders who possess them.

Action Planning and Tracking Progress

1. Set clear goals.
2. Document job responsibilities, skills, experiences, and competencies.
3. Identify your stars.
4. Have "stay" conversations.
5. Create staff retention and development plans.
6. Put strategies in place for board development.
7. Assess your current board.
8. Make adjustments to your recruitment strategies.
9. Review progress every quarter.

CHAPTER FIVE – CREATING A CULTURE OF STRATEGIC THINKING

Overview of Strategic Thinking

The late, great Peter Drucker once famously said, “Culture eats strategy for lunch.” All the plans and action steps will work only if the culture of your CBO supports it. Everyone needs to understand, embrace, believe in, and act on it. Job expectations and reward systems need alignment. The ED and senior staff must exemplify it.

Often, we view strategic thinking as something we do annually, during the planning process or at the staff retreat. Ideally, strategic thinking happens on a day-to-day basis. As leaders and staff members, you are applying strategic thinking to every aspect of your work.

The results are intelligent allocation of your limited resources including your time, dynamic game-changing insights and initiatives, and more than incremental growth.

Strategic thinking and management must be the norm.

Objectives:

1. Recognize how strategic thinking can and should happen on a day-to-day basis.
2. See the benefits of creating and nurturing a culture of strategic thinking.
3. Identify the characteristic of strategic thinkers.

Tools and Templates:

- Analyzing your organizational culture assessment

Defining Terms

As you recall from Chapter One, we define strategic thinking as the generation and application of insights (tied to your CBO’s mission, vision, values and work) on a continual basis to achieve maximum mission impact, growth and long-term sustainability.[15]

Strategic thinking rarely occurs spontaneously

Are you and your team members strategic thinkers?

[15] Rich Horwath adapted for the not-for-profit sector by Karen Osborne

Strategic Thinking Assessment

Rank the degree to which you possess the following skills or behave in the following ways using a scale of 1 to 5, with 1 being "strongly agree," 2 = "mostly agree," 3 = "somewhat agree," 4 = "mostly disagree," and 5 = "strongly disagree."[16]

1. Mastered and uses the three criteria of great strategy:
   a. Acumen – The ability to pull together two of more pieces of information and generate a new idea or insight that helps the overall success of your CBO
   b. Allocation – How to use resources for maximum potential tied to the new insights
   c. Action – The ability to execute your strategy effectively
2. Insight – Masters the ability to link two or three pieces of information together to achieve an insight.
3. Context – Understands the current situation.
4. Competitive advantages – Creates distinct offerings (programs, services, advocacy opportunities, events and so forth) that help distinguish your CBO and bring in more resources, visibility, and results.
5. Value – Determines the benefits and costs of the new, distinct offerings.
6. Resource allocation – Decides where to focus capital, talent and time.
7. Modeling -- Captures the essence of the societal problems your CBO is solving and the opportunities it affords.
8. Innovation -- Creates new value for the people you serve, the influencers and volunteers who help you and the donors who invest in your CBO.
9. Purpose – Confirms mission, developing a compelling vision and set of organizational values.
10. Mental agility – Possess the ability to improvise, adapt, and excel through adversity.

Culture includes the organization's vision, values, norms, systems, symbols, language, assumptions, beliefs, and habits.[17] Organizational culture represents the collective values, beliefs, and principles of staff members and is a product of such factors as history, mission, market, technology, strategy, type of employees, management style, and national culture.

What is the culture of your organization?

[16] Rich Horwath
[17] Wikipedia

Culture Assessment

Respond to the following questions on a scale of 1 to 5 with 1 being "strongly agree," 2 = "mostly agree," 3 = "somewhat agree," 4 = "mostly disagree," and 5 = "strongly disagree."

1. Everyone on the team aligns with the vision for the organization's future.
2. We regularly assess our current state; we use our assessments and organizational insights to determine how to allocate resources and make decisions.
3. Everyone on the team knows, embraces, and can articulate the organizational values.
    a. The values are woven into the fabric of the organization.
4. Everyone on the team has a common understanding of the expectations of leaders and managers. For example:[18]
    a. <u>Be a good coach:</u>
        - Provide specific, constructive feedback.
        - Conduct regular one-on-one meetings.
        - Look for solutions to problems tailored to employees' strengths.

    b. <u>Empower your team:</u>
        - Don't micro manage.
        - Balance giving freedom, while still being available for advice.

    c. <u>Express interest in employees' success and personal well-being:</u>
        - Get to know employees as individuals with personal lives.

    d. <u>Be productive and results-oriented:</u>
        - Help set priorities.
        - Remove roadblocks.

    e. <u>Communicate well and listen:</u>
        - Encourage open dialogue, share information, listen, and be straightforward.

    f. <u>Help your employees with career development.</u>

[18] Google Management Rules

g. Keep the team focused on the vision, goals, and strategy.
h. Have key technical skills so you can advise the team (have the skills you require of them).

5. Everyone on the team receives the information they need to be successful in a clear and timely manner.
6. Everyone is interested in other team member's success—there is a problem solving, pitch in and help attitude.
7. Managers are both trustworthy (people of good character) and trusted by staff members, peers, supervisors, top donors, and volunteers.
8. There is accountability—people do the right thing when no one is looking.
    a. The team holds each other accountable.
9. Friction between team members focuses on issues and not people.
10. Opinions manner—people feel heard, their opinions are valued.
    a. New ideas are welcomed and encouraged.
11. Staff members have opportunities for growth tied to personal aspirations.
12. Strategic thinking is valued, modeled, and rewarded.
13. Standards are high and clear, modeled by managers.
14. We are nimble, resilient, and flexible.
15. What else would you add?

What did you learn through these two assessment tools? Do most of the team leaders possess strategic thinking skills? Is strategic thinking part of your CBO's norm?

If not, you need a plan.

Asking Strategic and Generative Questions can help develop strategic thinking.

Questions for Focusing Collective Attention on Your Situation[19]

1. *What question, if answered, could make the most difference to the future of (your specific situation)?*

[19] Michele Clarke

2. *What's important to you about it and why do you care?*
3. *What draws you/us to this inquiry?*
4. *What's our intention here? What's the deeper purpose (the big "why") that is worthy of our best efforts?*
5. *What opportunities can you see in this?*
6. *What do we know so far/still need to learn about it?*
7. *What are the dilemmas/opportunities in it?*
8. *What assumptions do we need to test or challenge here in thinking about it?*
9. *What would someone who had a very different set of beliefs than we do say about it?*

Questions for Connecting Ideas and Finding Deeper Insight

1. *What's taking shape? What are you hearing underneath the variety of opinions expressed?*
2. *What's at the center of the issue?*
3. *What's emerging for you? What new connections are you making?*
4. *What might we consider eliminating, not doing, or doing radically differently?*
5. *What had real meaning for you from what you've heard? What surprised you? What challenged you?*
6. *What's missing from this picture so far? What is it we're not seeing? What needs more clarity?*
7. *What's been your/our major learning, insight, or discovery so far?*
8. *What's the next level of thinking we need to do?*
9. *If there were one thing that was yet to be said in order to reach a deeper level of understanding/clarity, what would that be?*

Questions That Create Forward Movement

1. *What would it take to create change on this issue?*
2. *What could happen that would enable you/us to feel fully engaged and energized about it?*
3. *What's possible here and who cares? (Rather than "what's wrong and who's responsible?")*
4. *What needs our immediate attention going forward?*

5. *If we could guarantee our success, what bold steps might we choose?*
6. *How can we support each other in taking the next steps? What unique contribution can we each make?*
7. *What challenges might come our way and how might we meet them?*
8. *What conversation, if began today, could ripple out in a way that creates new possibilities for the future?*

It is important that ALL Strategic and Generative Questions don't stand alone. We must probe and unpack, so that we understand the context and meaning of each answer.

1. *Can you say more about that?*
2. *How so?*
3. *This is what I thought I heard… Is that right?*
4. *Why is that the right direction, solution, problem?*
5. *Help me understand your thinking.*
6. *How did you get there? Walk me through your steps.*
7. *What else did you consider?*

People rarely give a full answer to a first question. You have to probe and unpack. Listen and question to gain understanding.

Create an Environment for Strategic Thinking

Let your team know you expect them to think. Let them put thinking time on their calendar. Set aside time to have strategic and generative conversations with the senior team and board of directors.

Action Steps

1. Take the two assessment tests; have your senior team do the same.
2. Consider strategic thinking one of the competencies you seek when hiring new staff members and bringing on new board members.
3. Set aside time for generative and strategic thinking staff retreat.
4. Ask some of the strategic and generative questions on a daily basis as you manage via walking around, at senior staff meetings, and at board meetings. Make it part of the operational norm.
5. Check in three months from now and assess progress.

CHAPTER SIX – ENGAGING YOUR TEAM IN STRATEGIC THINKING AND MANAGEMENT

Overview of Strategic Thinking

Your CBO needs everyone on the team thinking strategically and turning new ideas into action. Your vision calls for creating an army of advocates that change the way the medical profession in your community views individuals with HIV. Your old approaches have only brought about incremental change. You want radical change over the next three years. How will you achieve this? How do you engage your team in thinking strategically about this issue (as well as many others until strategic thinking becomes the norm)? How do we turn ideas into action?

Objectives:

1. Provide a practical example for using strategic thinking to realize a vision and changes in behavior.
2. Learn how to identify the relationships key to fostering strategic thinking and implementing new strategic ideas.
3. Assess behaviors and patterns that might get in the way of success.
4. Develop communication and engagement strategies to help ensure productive outcomes.

The Strategy Team

Who on the team should head up this effort? You are forming an advocacy task force. Do you want to include some board members who have expertise, connections? Who are some of your stars you are nurturing for future leadership positions? Form a small committee of five to seven people.

Discovery

Just as the strategic planning process started with assessment, strategic thinking around a particular problem starts with discovery. What are you already doing? What aspects are working and which are not working? Survey your current medical partners. Uncover their feelings, ideas. Listen to your constituents about how they are treated and what they'd like to be different. Share the findings BEFORE bringing the team together to brainstorm new ideas.

Research shows that brainstorming is most effective when individuals think about the issues first and bring their ideas to the brainstorming session.

Strategic Brainstorming

Once you've gathered relevant information, convene the task force members. Keep in mind that strategic thinking and strategic planning are two different things. Strategic thinking is the generation of insights while strategic planning transforms those insights into an action plan.[20] This is the "thinking phase." Have the group share their ideas. Brainstorm new ones. Discuss them. What are the pros and cons of each? Use your generative and strategic questions from Chapter Five.

Strategic Planning (Around the Issue of Advocacy)

Now that your team has identified the strongest ideas for achieving the "advocacy vision," they need a plan with SMART goals: who is going to do what by when and what are the budget implications? Be sure to identify any potential obstacles and solutions for overcoming them.

Strategy Implementation

Use the following checklist to make sure all the implementation pieces are in place and to check on progress.

1. Purpose – What are we trying to achieve? Are there clearly articulated SMART goals and objectives?
2. Resources – What resources do we need (budget, people, behavior changes)?
3. Accountability – Which individuals and groups are responsible for achieving each goal?
4. Timeline – What are the time parameters associated with the elements of the implementation plan?
5. Alignment – Is every one on board and their work aligned with the change we envision?
6. Metrics – Are clear, consistent, and realistic metrics in place?
7. Communication – Have we developed a clear communication plan for sharing information, receiving feedback, and solving problems?

Making Strategic Thinking Part of the Norm

The above example focused on one aspect your CBO's work. You want to infuse the changes (the new advocacy approach, for example) and get everyone practicing strategic thinking within their work unit and applying it to their day-to-day decisions.

You can't get there all at once. Change takes time and attention. You'll need champions for change, some quick "wins," and ways to institutionalize the new way of thinking and doing business. Obstacles and opportunities need quick attention.

[20] Rich Horwath, "Deep Dive"

Change Champions

A champion is someone who knows and cares deeply about your CBO and knows and trusts the staff and board leadership. For someone to be a true champion who can help you persuade and inspire others to follow, he or she must be respected and trusted by those you want to influence.

Who could be a champion for change on your staff and/or board? Make a list of possibilities. Share the organizational vision and values now. Pull them into the generative and strategic conversations.

Your goal here is to enroll and engage them. You need leaders (champions) demonstrating the new way of thinking and adopting the new ideas so that they inspire others.

As part of that effort, you want to make sure that their understanding of, and belief in the vision, values, strategic thinking, and new ideas "sticks" so they can become passionate ambassadors for change.[21] That means you have to:

- Share knowledge so people can learn.
  - Show respect and engage.
- Share knowledge so people believe.
  - Use credible message bearers.
- Share knowledge so that people care.
  - Reflect their values.
  - Wrap values in strong, empowering emotions.

You want them to care. Finally, you want to create a will to act. Strategic thinking is only productive if the right action follows. Grimm recommends:

- Work within your champions' comfort zones first.
- Fit actions into their existing workflow.
- Make sure the benefits to the champions outweigh any risks you're asking them to take.
- Be personally inspiring and optimistic that the envisioned change is achievable and will have positive results.
- Make the champions heroes, not villains forcing change on others.
- Ask them to do something that they can actually do.

[21] Kristen Grimm, "Discovering the Activation Point"

The Power of Three

It is hard to be a champion by oneself. Even a highly respected colleague, when standing alone, can be discounted easily. "She always thinks things will be easier than they are." "Easy for her to say and do, but that's not true for the rest of us." You need the first champion, but others need to stand beside her.

The second champion says to the first, "You are not alone." He legitimizes the role and the changes you envision. It is the third champion that tips the scales.

According to Roger W. Ferguson, Jr., President and CEO at TIAA-CREF, "You can't be out in front leading the parade unless there are people willing to line up and march behind you." You cannot force followership. "It's about *inspiring* people."

Weave the Story of Change

Your champions can now influence others by weaving the story of change.[22]

1. Talk about change and why it is needed (vision, values, and a new strategic plan that requires a new way of thinking and doing business).
2. Explain specifically what you plan to change (what the vision calls for, why strategic thinking throughout the organization has to be the norm, the new ideas generated, and how you plan to implement them).
3. Clarify what will *not* change. (Many things will stay the same. Be clear.)
4. Identify the key players (the team, beyond the champions, who are essential for this to work).
5. Spell out the impact that change will have. (What difference will it make and why is that GOOD?)
6. Discuss your organization's <u>core values</u> and how they will not change.
7. Address what you expect of everyone.
8. Talk about difficulties and problems.
9. Outline how you will communicate going forward.

[22] Jaffe and Scott, "Getting Your Organization to Change"

Communicating with the Team

Keep in mind, people often don't change even when faced with life and death choices.[23] Facts don't sway people but stories do. Simple, easy to identify with, emotionally resonant stories evoke positive experiences.

Focus on a few critical changes in behavior. Pick your battles wisely.

Vision and values drive the need for change. Share it. Make sure everyone can articulate the societal impact it will have. Use success stories. Paint a picture.

The new ideas generated through strategic thinking offer another opportunity to communicate the benefits of changing how we think, the risks we're willing to take, and the power and values of new ideas. But don't just push out messages. Have conversations. Help your team persuade themselves.

"What impact do you believe will come about because of this new idea?" What difference will strategic thinking have on how we do business, on the people, families and communities we serve?"

Involve Every Layer of Your CBO

Yes, it starts at the top and cascades down to the senior team and your champions, but if you want a true culture of strategic thinking, with every team member utilizing strategic thinking and developing and implementing new ideas that move your CBO forward, every layer in the organization has to be involved.

You can accomplish this through training sessions on strategic thinking, staff retreats infused with strategic and generative conversations and celebrations when team members participate in the resulting change in positive and productive ways.

As obstacles arise, pull the team together. Here are some questions to help you.

1. *It is important to me that you have an opportunity to discuss what is going on and why it is important that we enact (the behavior you seek; the change required). How well informed do you feel? What (tools, information, or assistance) do you need enact the behavior you seek? i.e. participate more fully in decision-making)*
2. *What haven't I explained well enough?*

[23] Alan Deutschman, "Three Keys to Change"

3. *Change brings many opportunities. What opportunities do you see coming out of or during this time of change?*
4. *I'd like to understand how you are feeling about the changes we've put in place; may I ask some questions about how you perceive things?*
5. *During this time of change many things are still uncertain. How can I help you feel more comfortable (remain productive) (become more productive) during this period?*
6. *From your perspective, what do we need to do to make this work?*
7. *I feel ________ when you ________. How do you feel about it?*
8. *Why might you adopt strategic thinking?*
1. *How ready do you feel to adopt strategic thinking?*
2. *Imagine you've become a strategic thinker. What would the positive outcomes be?*
3. *Why are those outcomes important to you?*
4. *What's the next step?*

CHAPTER SEVEN – IMPLEMENTING STRATEGIC THINKING AND MANAGEMENT

Overview of Implementation

You need practical tools to put all of these ideas in place. How do you and your team create, modify, or enhance vision and values? This chapter helps you: assess the strategic thinking of your team and determine the organizational culture; learn how you can have productive strategic and generative conversations with your team and board members; and turn your ideas into action and make strategic thinking the norm.

Here are strategies and a timeline to help you accomplish your goals.

Objectives:

1. Create a roadmap for each of the building blocks for strategic thinking, planning, and management.
2. Provide practical steps for implementation.

Vision

There are two basic approaches with many variations of each for creating a compelling vision for your organization's future. Choose the approach that fits your personal style and organization's culture.

1. The ED creates her vision for the future. Then engages others in reacting and refining.
2. The ED helps his senior team and key board leaders shape the vision with him, in a collaborative effort.

There are advantageous for each.

Creating a Vision and Bringing Folks along

As an ED, many look to you for a compelling vision. It signals that you are a visionary leader. You are the ultimate expert in your field. You have big ideas based on your knowledge, experience and your strategic thinking. Jim Collins in "Good to Great" said it was part of a leader's responsibilities.

Figure 14: Level Five Leadership

Level 5 Leadership* *Jim Collins

Level 5 Leadership	**Humility, Professional Will Legislative skill**
Level 4	**Vigorously pursues clear compelling vision; sets and meets high performance standards**
Level 3	Organizes people and resources toward goals
Level 2	Contributing team member to overall goals
Level 1	Highly capable individual

This approach works best for a new ED, an ED who has already decided on a vision, or an ED needing to assert his or her credentials and credibility due to an adverse situation.

Collaboratively Forging a Vision with Your Team and Key Board Members

Brainstorming a vision together as a team and then agreeing on what that vision should be is the second option. This works well when the ED has a long and trusted history with the organization, doesn't have a clear sense of what the future will require, or has senior people with deep and wide expertise and are excellent strategic thinkers.

Ken Blanchard offered us situational leadership theory back in the 1970s. It is still quite relevant and applies here.

Figure 15: Situational Theory

Blanchard said that when the situation is urgent and/or the team inexperienced, a "telling" leadership style was appropriate. In developing a vision, however, this is probably the least effective style to use.

The next style, Selling; however, might work well for you as a new ED with the board looking to you for big ideas. You shape your vision, then enroll and engage others in conversations about it, "selling" them on your ideas and helping them to sell themselves.

1. *To what extent do you believe (helping caregivers, investing in research; changing how people think about those with HIV) is essential for our community?*
2. *As you (read, heard) our vision for the future, in what ways to do see us effectively addressing the health issues you care about the most?*
3. *What aspects of our vision do you find particularly compelling?*
4. *What impact do you believe we'll have if we achieve our vision?*
5. *In what ways can you be a part of making the vision a reality?*
6. *How do you see your role? What difference will that make? How can I help you?*
7. *Are there any questions about our vision that I've not answered?*

The Participatory style is another style that works. You are not sure what the vision should be. Your team is experienced and smart. They trust and believe in you. The brainstorming approach discussed in Chapter Six and the generative and strategic questions in Chapter Five will work well in this situation.

The last style Blanchard discusses is "delegating." While this style is important in many situations, developing a vision isn't one of them. Turning vision over to the board, for example, can lead to poor decisions. The ED and senior team have the expertise. It is your job to forge the vision.

Values

While vision is often top down, values discussions should bubble up. Using the brainstorming techniques discussed in Chapter Six, bring the entire team together. Ring the room with easels, flip chart paper and colored markers, enough for small groups of four or five per easel.

Give everyone 15 minutes to generate as many values they believe the organization stands for or should embrace. Tell them at five-minute intervals how much time is left. This tends to spur new insights. When the time is up, post the answers around the room. Let everyone walk around and read the lists. Next, using a marker, initial the values that most resonate with them, perhaps the top five to 10. Tally the top answers.

Form a values task force to translate the top answers into a values statement.

Send it around for feedback and revision.

Be sure to share with the board and get their feedback as well.

Assessing Strategic Thinking among Team Members

Assessing strategic thinking among team members is tricky. Some people feel threatened by evaluation, especially when it is a new skill. A self-test is probably the least threatening option. Using the "Strategic Thinking Assessment" in Chapter Five, have everyone answer. Then meet with each person's supervisor to discuss. Develop a plan for helping those areas you both agree would benefit the team member's strategic thinking skills.

Having Strategic and Generative Conversations

Watch the videos on strategic conversations and listening. They are under five minutes each. During a staff meeting, pair team members in dyads. Let the first person ask questions and listen and other answer the strategic and generative questions. Then switch. Give each conversation about 10 minutes.

Once both rounds are completed, ask:

1. "How did it feel when you were answering the questions? Were you comfortable? Was it interesting, enjoyable?" Listen to the answers.
2. "How did it feel when you were asking the questions?" Listen.
3. "What were some of the best questions you were asked? How so?"
4. "To what degree were you able to be fully present, listening to understand, and unpacking and probing?"
5. "How can we all get better at this? What ideas do you have?"

Action Steps

1. Re-read Chapter Two. Decide the style you want to use and create a compelling vision for the future.
2. Re-read Chapter Two and hold a values staff meeting.
3. Re-read Chapter Two and get your strategic plan in place.
4. Assess strategic thinking skills and develop a plan for each member of the organization to help enhance strategic thinking skills.
5. As described in Chapter Six, have each unit identify one area that could benefit from strategic thinking and change. Put your process in place.
6. Celebrate successes.
7. Interview for strategic thinking skills when making new hires.
8. Evaluate and reward staff on strategic thinking ability.

CHAPTER EIGHT – ACTION PLANNING

Overview of Action Planning

There is an art to getting things done. It takes professional will, a concrete plan, metrics, and check-ins. Until now we've focused on the plan. Now, we'll turn our attention to metrics and check-ins. Things seldom go as planned. You also need strategies for course correction.

Objectives:

1. Turn plans into action.
2. Set clear metrics.
3. Identify key players.
4. Establish check-points and course correction.

RASCI Matrix

Every plan needs SMART goals and objectives (Specific, Measurable, Achievable, Results-oriented and Time specific).

Goal	Objectives	Action Step	By When
Increase the understanding and commitment of the local medical community to treating those with HIV effectively and compassionately.			12/2018
	Engage 100% of the medical team at Mt. Vernon Medical.		12/2016
		Identify and enroll three champions at Mt. Vernon who have ties and influence within the broader social service and medical community.	12/15

Every Objective needs action steps and a list of team members who are essential to the success of the action step.

The RASCI Matrix is one method used to assign and display responsibilities of individuals or jobs in a task (project, service or process) in the organization.

This tool is useful for defining the roles and determining the tasks, responsibilities, and authority of the development group members. The names or functional roles of the development group members are listed along the horizontal axis of the matrix and the deliverables, activities, or processes along the vertical axis. The letters R, A, S, C, and I each constitute a combination of a name/role and result/process/task. They represent the following terms:

R *(responsible)*: Those who do the work and are responsible for the result. They report directly to the person accountable. This is the lead person for this action step.

A *(accountable)*: The one ultimately responsible and authorized to hold accountable those responsible. This person has final approval.

S *(supportive)*: Those who provide support and assistance to those responsible for carrying the action out.

C *(consulted)*: Those whose opinions are sought before decisions or steps are taken to achieve the result (two-way communication). *Who does the team need to consult with?*

I *(informed)*: Those informed after decisions have been made or results have been achieved. Who needs to be informed as the team makes progress, even though they have no influence over the result?

The advantages of using the RASCI matrix are:

- It clarifies the roles and responsibilities of all parties.
- It helps clarify which roles may be missing.
- It helps clarify who should be cooperating and coordinating with whom.
- Support is increased by liaising and coordinating.
- Teamwork is encouraged; duplication of activities can be prevented. The completed RASCI matrix provides a reference in case responsibilities become unclear among group members; agreements at the start prevent discussions later.
- Roles are associated with processes/activities rather than results.

Goal	Objectives	Action Step	By When	RASCI
Increase the understanding and commitment of the local medical community to treating those with HIV effectively and compassionately.			12/2018	
	Engage 100% of the medical team at Mt. Vernon Medical.		12/2016	
		Identify and enroll three champions at Mt. Vernon who have ties and influence within the broader social service and medical community. Secure their cooperation. Devise and begin implementing strategies for reaching out to others at the hospital.	9/15 11/15 12/15	R – Chief program officer A – CPO S – Program staff, board chair of program committee C – Two nurses currently volunteering (Lois and Robbie) I – Program staff and program committee

Metrics and Key Performance Indicators

How are you measuring success? Both process and outcomes are important. Determine how you will measure and track both. For example:

1. Did we identify three champions? (Process)
2. How are we engaging them? (Process)
3. To what degree are our strategies effective? (Outcome)
4. Have they signed on to engage others? (Process and outcome)
5. How effective are the new recruits? (Outcome)
6. Are we operating within our agreed upon timeframe? (Process and outcome)

Impact and Budget Implications

What are the budget implications for this step and what is the potential RO? You might not know the exact costs but you can indicate whether this is a costly action step. For example, you believe that the cost for engaging three champions is very low—staff time and opportunity costs (what the staff members are not doing while they are doing this)—but the ROI is high. These champions have great influence and can help you influence many others.

Goal	Objectives	Action Step	By When	RASCI	Budget and ROI
Increase the understanding and commitment of the local medical community to treating those with HIV effectively and compassionately.			12/2018		
	Engage 100% of the medical team at Mt. Vernon Medical.		12/2016		Low budget item High ROI
		Identify and enroll three champions at Mt. Vernon who have ties and influence within the broader social service and medical community. Secure their cooperation. Devise and begin implementing strategies for reaching out to others at the hospital.	9/15 11/15 12/15	R – Chief program officer A – CPO S – Program staff, board chair of program committee C – Two nurses currently volunteering (Lois and Robbie) I – Program staff and program committee	

A different action step might be costly. Perhaps you'll have to hire a new advocacy manager or pay a consultant to help you with an initiative. For each step, indicate the costs and ROI. A concrete budget should follow.

Check In and Course Correction

Build in review mechanisms and meetings. Create a dashboard or a report that comes out monthly and goes to stakeholders as identified by your RASCI. Meet quarterly (or monthly or weekly depending upon the action item) to check in and problem solve.

Meetings don't have to be long. Consider 15-minute stand up meetings. Keep it focused. Brainstorm solutions to problems.

And celebrate successes!

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