



Developing a Strategic Business Plan for Non-Profits

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Non-profit organizations need to be market oriented, i.e. know what the community needs are for their programs and services. In addition they need to know what is required to become a successful organization. This can usually be accomplished with a Strategic Business Plan. Such a plan motivates employees, volunteers and donors as it provides them with the goals of the organization and defines how they will be accomplished.

Board members, management and administrative staff, and key workers/volunteers should participate in developing the Strategic Business Plan in order to be sure achievement of the goals established in the plan. If everyone believes they “own” the plan, there is a better chance the plan will succeed. Those who believe a plan is necessary will have to overcome the “normal” reasons for not developing a Strategic Business Plan:

- We don't have time to do strategic planning as we have to concentrate on day-to-day problems
- We are very successful without a plan.
- The last plan we developed was filed and never used, and therefore was a waste of time.
- We don't have anyone who can manage the development of a good strategic business plan.
- We don't need a plan to know what we have to do to accomplish our mission statement

Three major components make up a Strategic Business Plan:

1. **Vision** - This is the ‘dream’ or ‘dreams’ that the organization hopes to accomplish. In most instances the vision is developed as an extension of the mission statement.
2. **Goals** - The vision is the basis for your goals. You usually start by describing many, many goals and then reducing your goals to those that can be accomplished in the coming year with the resources that you have available.
3. **Objectives** - For each goal you list exactly what needs to be done in order for the goal to be achieved.

If your non-profit organization has a Board of Directors their participation is essential. The Board of Directors is normally responsible for the wording of your mission statement, managing the organization at the highest level, and often responsible for fund raising activities. Even if their initial participation is slight, they should be heavily involved in the assessment of the plan. They are ultimately responsible for achieving the goals and objectives of the organization since they have to ensure that adequate funding and other resources will be available to implement the Strategic Business Plan.

Each organization has to determine what is the best way to develop their Strategic Business Plan. Some organizations have the Executive Director develop the plan and submit it to the members for their approval. Other Organizations form a committee who works with ALL the members to develop the plan. A non-profit organization may want to involve their Advisory Board member, their Board of Directors, their head executive, their administrative staff, key employees and/or key volunteers. The steps to be taken should include the following:

- Review the previous Strategic Business Plan to determine what goals need to be continued, why goals were not accomplished, and what has changed.

- The mission statement should be reviewed and consideration given to updating it based on whether the community and/or the needs of the community being serviced have changed.
- Determine whether the funding expected to be available will require a decrease or increase in the organization's ability to perform in the coming years
- Establishment of preliminary goals. This is one of the most important steps. Determining WHAT goals and HOW MANY goals is critical. Being overly optimistic on establishing your goals can be very discouraging to those responsible for achieving those goals.
- The objectives are then established for each of the goals. Each objective should describe:
 - specific tasks,
 - a specific time frame for when each task has to be completed, and
 - who is responsible for each task
- At this point the goals and objectives should be reviewed and hopefully endorsed by all parties involved in achieving the goals and objectives. If they are not endorsed, they have to be redone, until they are.
- Once the goals and objectives are agreed upon, the financial plan and budget required to accomplish the goals and objectives is prepared.
- Then the entire Strategic Business plan is submitted for approval.

What are the benefits of have an agreed-upon Strategic Business Plan?

1. Focuses your thoughts, ideas and dreams, transforming them into a documented plan of action.
2. Provides a method of communicating your goals to others.
3. Enables you to measure your progress
4. Serves as a guide for where you are going and how you plan to get there.
5. Fund raising is facilitated as the Strategic Business Plan documents what will be done with the funds.
6. Recruitment of both volunteers and employees is easier as current volunteers and employees, having participated to some degree in the development of the Strategic Business Plan, will normally have a higher morale as a result
7. Recruitment of new Board members will be easier as a good Strategic Business Plan demonstrates that the organization believes in strategic planning.