MISSION POSSIBLE:

Successful Strategy for Not-for-Profit Boards

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Foreword

In my non-scientific LinkedIn poll completed by nearly 50 board members, 55 percent said strategy for their community organisation involved a one day session, 17 percent had ad hoc discussions, 17 percent had strategic conversations at every meeting and 12 percent were brave enough to say they don't have a strategy.

In my experience, working with hundreds of community organisations over the last decade, I think the percentage of those with no strategy or an unimplemented strategy sitting in a file somewhere is much higher than my poll results.

Being on the board of a community organisation can be a tough gig. It comes with thankless lists of compliance and many boards are rightly focused on keeping the lights on.

Strategies I do see are often what I call **The Hallmark Approach** with motivating slogans and not much else, which basically leaves it to the management team (if you have one) to figure out what to focus on, or **The Shopping List Approach** with pages of operational to do lists, again leaving staff the job of prioritising.

Unfortunately, many strategies are developed and not implemented.

A strategy is simply agreed actions to create a desired impact. Making a difference is why most of us volunteer our time on boards. So, I argue that having a strategy and ensuring its implemented is one of the most important things we can do in our governance roles.

But it can be hard. In the Institute of Directors 2024 Director Sentiment Survey the most common challenge for NFP board members was balancing the short and long term (56.4 percent). Current challenges swamp our time.

That's why I have written this (hopefully useful) guide to strategy for the board members of community organisations. Creating the space to imagine what could be makes it much more likely to happen.

Ngā mihi

Jo Cribb

What is strategy

There is so much jargon around strategy. I get tied up with my missions and visions and the difference and am often left wondering, do the words matter? When 'strategic' is stuck in front of something, it's like that thing is automatically better. A bit like 'robust'.

Then there is bad strategy that is full of buzzwords, motivational and apple pie statements, or focused only financial goals and operational plans.

Good strategy isn't rocket science:

- **Strategy** is the actions that link today with where you want your organisation to be tomorrow. Actions are chosen because they will have the greatest impact. In choosing one path, you are also choosing NOT to take others.
- **Strategic Thinking** is the processes and mindset that is needed to create strategy. It usually involves longer-term thinking, a focus on outcomes and impact and values, scanning the environment for trends, identifying risks and opportunities.
- **Strategic Capability** is the ability to think strategically. It isn't everyone's jam, some of us prefer to focus on immediate actions. Collectively boards can and need to build their strategic capability.
- **A Strategic Plan** is simply where it all comes together; where the actions are recorded in a coherent, focused and implementable way. Like a roadmap.

A good and useful strategic plan usually has:

- **An end point**, that is, the aim of the organisation. Usually externally focused. Often called the vision or purpose.
- **A small number of high level goals**. These are the outcomes the organisation seeks to deliver to get to the desired end point. They are what the organisation will focus its resources on. Usually there is a timeframe (like five years, or for some iwi organisations, 100 years).
- **High level actions.** These are the key things that need to be done to deliver on the goals. Boards can task management with these. Operational business plans can be created to deliver these actions
- **Metrics.** Some measurements that can be tracked so boards can get a handle if they are on the right track towards their end point. These can be reported in management reports and used to hold management accountable.
- **Risks.** Good strategic planning involves understanding what could derail success and includes actions to mitigate risks.
- **Values.** These are board's expectations of how things will be delivered, including how external people and staff will experience the organisation.
- **Is coherent** and tells a clear (and convincing) story about the purpose of the organisation (its end point) and how it is going to deliver on it for those the organisation serves (like members or clients), funders and staff.

Getting your strategy to fit on one page often means that you have the right level of focus.

It could look something like this:

<table>
<tr><td colspan="5">Our vision
What does success look like?</td></tr>
<tr><td colspan="5">Our purpose
What do we do that no-one else can?</td></tr>
<tr><td colspan="5">Our goals
What will we focus on over the next 3-5 years?</td></tr>
<tr><td colspan="5">Key actions
What will we deliver to achieve the goals?</td></tr>
<tr><td>Goal 1
• Action
• Action</td><td>Goal 2
• Action
• Action</td><td>Goal 3
• Action
• Action</td><td>Goal 4
• Action
• Action</td><td>Goal 5
• Action
• Action</td></tr>
<tr><td colspan="5">Our values
How will people experience us?</td></tr>
<tr><td colspan="5">Measurement
How will we know we have been successful?</td></tr>
</table>

Why strategy matters

As Alice (of Wonderland fame) rightly points out if you don't know where you are going, any road will get you there. One of the most valuable things a board can contribute to its organisation is a clear direction. Not only will this help ensure the organisation has a future, it should also ensure the organisation delivers maximum impact for those it serves.

A clear strategy makes board work easier as it should:

- Help focus boards on their strategic role and keeps them out of the operational weeds
- Focus board meetings on the important issues.
- Ensure boards are all on the same page about where the organisation is headed
- Ensure the board and management team are on the same page about what success looks like
- Make it very clear about what the unique value of the organisation is and focuses activity on generating the most impact possible
- Provide a good framework for monitoring impact
- Provide a good framework for holding management to account
- Make decisions about resource allocation clear. Budgets should focus on delivering the high level goals and actions. This should make organisations more efficient and resource use more effective.
- Create transparency about the purpose and impact of the organisation, making reporting to stakeholders, including funders easier (and can even attract more funding and support).

But strategy can be hard.

Some boards are operational and focused on the detail of delivering outputs. If this is the case, it makes it hard to scan the wider environment, spot trends, and think long term.

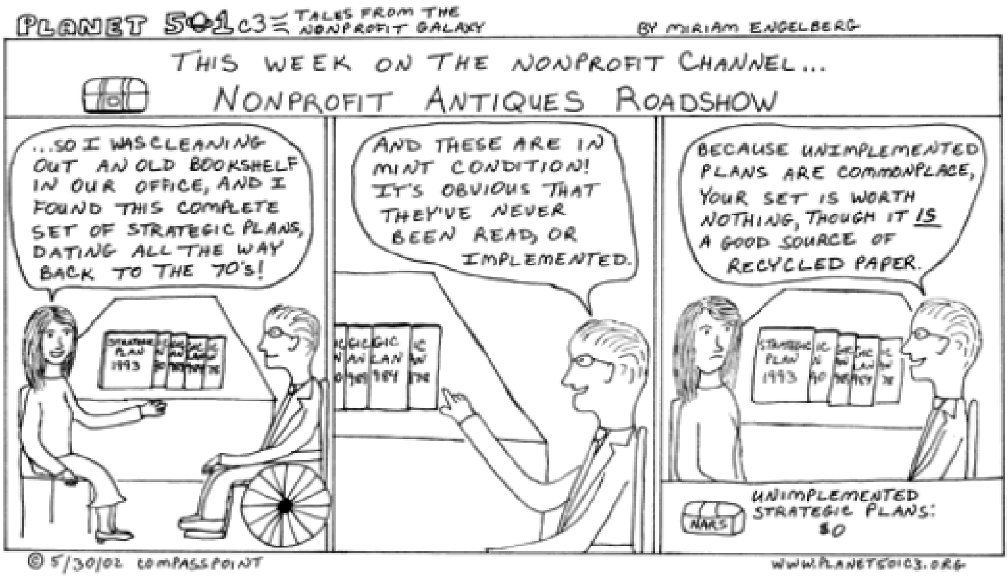
Some board members can have strong preferences to focus on immediate action and can dismiss taking time for strategic thinking as a fluffy waste of time. Indeed, human brains are wired to care more about today than tomorrow, so thinking long-term doesn't necessarily come easily.

Other boards are led by management. They are presented with a strategic plan to sign off. In this case, the organisation hasn't drawn on the expertise and experience of board members. Often management-led strategic plans aren't strategic; they are business plans focused on delivery and solving the issues that management see as important.

Once you commit to a small number of high level goals, boards are choosing NOT to do many things. This can be a difficult decision for boards, especially if strategic plans could be seen to advantage one group of stakeholders over another. Sometimes it feels more comfortable to be vague.

Also, once you out your goals on paper, board members are making themselves accountable for achieving them. This can be uncomfortable driving the fear of failure or of being held to account by vocal stakeholder groups.

Great strategy needs to be implemented to make a difference. Many great strategies have been developed and then left in folders.



How to Get Strategic

Getting strategic means getting the right governance foundations in place:

- **The board understands its governance responsibilities**. Good strategy will be created by boards being good governors and not focused on operations.

- **There are a diverse range of perspectives on the board**. To make good strategy, boards need be able to draw on a range of different perspectives, skills and experience.

- **Good board dynamics**. Making good strategy often means uncomfortable discussions about what they organisation will not do and who it will not serve. Boards with members that respect and trust each other will be able to have the robust conversations necessary.

- **They commit to being good at strategy**. That means they ringfence the time, not only once a year but at every board meeting for strategic thinking and invest in building their strategic capability.

- **Seek the right information**. Often board reporting focus on operational detail and things that have already happened (i.e. finances and data about service delivery). Strategic boards look for the 'so what' in their performance data and spend at least half their meetings looking forward.

Strategic boards focus on strategy:

- **They consider their approach to strategy.** Depending on their context, they may choose a *deliberate approach*, that is to set a longer-term strategy with clear targets and prescribed actions, or an *emergent approach*, that sets a clear direction with strategic decisions on-going over time.

- **They understand the big questions their strategy needs to address**: the critical challenges and opportunities that need to be planned for.

- **They develop governance strategic plans** (not management operational ones) that give a clear steer to management about what the organisation is focusing on, priorities and what it is NOT doing.

- **They focus on implementation** by creating strategic plans that can be translated into operational ones, ensure management buy into the plan and use their strategic plan to structure their meetings (including using it to structure their management report and expecting every paper to state how it contributes to the strategic plan).

- **They review, reflect and refine their strategy**.

Making it Easier

Here's six top tips for great strategy:

- Keep it simple. A clear coherent narrative is key.
- Agenda strategy. Aim for a good percentage of your board time looking forward. Put strategic items as the first agenda items so you work on them when you are fresh.
- Insist that board reports include a strategic 'so what' section where the longer-term implications of any decision are discussed.
- Create a board culture of curiosity, inquiry and questioning the status quo.
- Remember board meetings are just that, not management meetings with board members at them
- Invest and resource your strategic planning time and capability. Insist all board members contribute.

Resources

Strategy-on-page templates make strategy easy. Here's an example:

- https://communitygovernance.org.nz/resource-hub/template-a-one-page-strategic-plan/

Much of the literature and thinkers about strategy focus on businesses. But there are a few with a specific not-for-profit focus:

- David La Piana has some practical resources: https://www.lapiana.org/resources/

- John M Bryson's (1995) *Strategic Planning for Public and Nonprofit Organisations: A Guide to Strengthening and Sustaining Organisational Achievement* has some interesting insights

- Beth Kanter and Katie Dehanaye Paine (2012) *Measuring the Networked Nonprofit: Using Data to Change the World*

- Richard P Rumelt (2011) *Good Strategy / Bad Strategy: The Difference and Why it Matters*

Great places for relevant resources on most topics are:

- https://communitygovernance.org.nz
- https://www.charities.govt.nz/resources-page/
- https://www.iod.org.nz/nfp#
- https://community.net.nz
- https://www.communitynetworksaotearoa.org.nz/tick-for-governance