

Board Development

Strategic Planning and Governance

The role of the board in strategic planning is very important. Strategic planning provides a hands-on way for board members to give a lasting gift to the organization. It can have a major impact. The daily actions and attitudes of board members, management and staff can change. Strategic planning increases the organization's ability to expect and respond to changing political, economic and social conditions.

The Not-for-profit Board

The board is ultimately responsible for the welfare, effectiveness, outcomes and sustainable future of the organization it serves. The board has the specific authority and duty to:

- Identify and monitor needs in the community
- Decide on the type and extent of services and activities offered, and
- Mobilize and direct financial and human resources to support those services.

Members of a not-for-profit board have legal and ethical responsibilities. The organization and membership they serve are given their status by an act of the legislature, and they are directors in the legal sense of the word.

Board members are stewards of the organization. The board must act in the best interest of the organization.

The board is the final decision-maker on all matters in the organization. High quality decision-making is the goal to which all boards strive. The focus of these decisions is to guide the organization toward accomplishing its mission.

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Board Development: Strategic Planning and Governance

“The best boards are constructive agents for change. They anticipate future demands and require the employees to meet them. They ask hard questions; they challenge the status quo. They set...policies to accomplish the stated mission and they demand evidence that the policies are being followed.”

— Fisher Howe. “The Board Member’s Guide to Strategic Planning.” Jossey-Bass, 1997.

“...the board must be entrepreneurial and strategic, answerable for the [organization’s] actions yet able to stand back, sensitive to the short term but aware of broader trends.”

— Garratt. “Developing Effective Directors and Building Dynamic Boards,” *Long Range Planning*, 32/1, 1999.

Governance

The board’s primary responsibility and task is governance. Governance involves strategic direction and policy, and is made up of four interrelated responsibilities:

- Establishing and implementing the organization’s mission and vision.
- Setting the rate of progress the organization takes in accomplishing its mission and vision.
- Providing continuity for the management and implementation of the organization’s affairs.
- Securing community support for all aspects of the organization.

Governance, or directing, is different than managing. Managing focuses on the present. Governance focuses on the future. Governance leads the board to explore options and establish long-term goals and plans.

Through good governance, the board delegates authority and responsibility to management and staff for day-to-day activities. Governance creates goals and ensures that the proper organizational structure of management, systems and people is in place to achieve those goals. At the same time, governance requires that the structure maintains the organization’s integrity, reputation and responsibility to stakeholders.

Strategic Planning

Many models of strategic planning exist. However, one thing is common among the models. Strategic planning is a process by which an organization envisions its future, and develops tactics to achieve that future.

Strategic planning results in a pattern of purposes and goals, and major policies for achieving those goals. It defines the “business” the not-for-profit organization is to be involved with, and the kind of organization it is to be. There are five phases of strategic planning:

- 1) *Planning to plan:* The organization must be ready to plan. The organization’s leadership must be committed to planning and to establishing a culture for change. Internal and external stakeholders should be invited to actively participate in the development of the strategic plan.
- 2) *Developing the strategic plan:* This plan includes the organization’s mission, targeted groups, program offerings and priorities, comparative advantages, and key organizational objectives.

Strategic Planning Checklist for Boards of Not-for-profit Organizations	<i>Yes</i>	<i>No</i>
Planning and Preparation		
1) The board chairperson is committed to planning for the future growth and development of this organization.		
2) The board has established policy on planning.		
3) The planning policy clearly indicates what type of planning will be undertaken, and the relative responsibilities of the board, its standing committees and staff.		
4) The board and staff have worked together to develop the planning process.		
5) The board and staff have worked together to overcome internal resistance to planning.		
6) The board and staff have the information they need to plan.		
Leadership		
1) The board chairperson is committed to providing a leadership and liaison role in planning for the future of the organization.		
3) The organizational climate and management style are conducive to the planning process that is used.		
4) Committee chairpersons recognize the importance of their work in contributing to the planning process.		
Participation		
1) The board encourages membership and community input into its mission planning and this is viewed as an important part of its total advocacy effort.		
2) The senior staff challenge middle managers to contribute to the planning process and staff view planning as an important part of their own development.		
3) New board members are encouraged to participate in the planning process and they are aware of the importance of the board's role in planning.		
4) There is a good division of labour for tasks in the planning process (e.g., data gathering, data analysis) which makes the best use of staff and trustee time.		

Adapted from: Marion A. Paquet, Rory Ralston and Donna Cardinal. *A Handbook for Cultural Trustees*. The Samuel and Saidye Bronfman Family Foundation in Cooperation with Alberta Culture, Board Development Program and Grant MacEwan College, University of Waterloo Press, 1987.

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Follow through		
1) The mission statement of the organization is the cornerstone of all other planning.		
2) The long-range plan is used as the basis for development of short-term operational plans.		
3) The board keeps the membership and the community advised of its planning activities.		
4) The plans of the organization are communicated to all staff and board members and are the basis for their understanding of the performance levels and results expected.		
5) New staff and board members are made aware of the mission statement, long-term and operational plans of the organization.		
6) Board members and staff can say with conviction that the organization has a clear sense of its mission and purpose and the direction of the organization.		
7) The results of the planning process clearly contribute to guiding the decision-making of the organization.		
Evaluation		
1) The board has established and uses a mechanism for regularly reviewing the mission statement.		
2) The effectiveness of the planning process is evaluated and adjusted to reflect the changing organizational needs.		
3) It is clear from the progress made by this organization that the investment in planning has paid off.		
4) Staff are very satisfied with the guidance and direction provided by the board through its planning function.		
5) The stability and future growth of the organization have been assured through the planning process of this organization.		

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- 3) *Developing long- and short-term operational plans:* The operational plans allocate resources according to priorities that maximize opportunities for the organization's survival and growth.
- 4) *Implementing and monitoring the plan:* The plan should be a working document. It is not one that is hidden away on a shelf or in a filing cabinet.
- 5) *Evaluating the plan and its implementation:* The board must continue to monitor the work of the executive director in implementing the plan, and deciding whether the plan itself is effective.

Governance and Strategic Planning are Linked

The principles of governance are aligned with those of strategic planning. Both are:

- the responsibility of, and initiated by, the board;
- future-oriented;
- designed to establish the purpose, progress, continuity and identity of the organization;
- directed toward the welfare and effectiveness of the organization;
- comprised of developing, establishing, implementing and evaluating; and both
- explain what the organization does and how it does it.

Management and staff work with the board in strategic planning. Together they map out how the organization will implement and achieve particular goals necessary for accomplishing the organization's purpose.

The benefits of strategic planning include:

- Board members develop a better understanding of their organization and its business.
- It helps relate mission, goals, strengths, opportunities, priorities and evaluation in a manner that improves decision-making.
- Strategic planning leads to strategic management, leadership and direction for the organization.
- It links budgeting and planning processes that maximize effective use of resources.
- It brings common purpose and effective organization-wide coordination.
- It helps to improve presentations about the organization's needs, such as those associated with fund development.

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"Governance is how the board exercises its authority, control, and direction over the organization."

—Board Development Program, 2001

Strategic planning is "*a disciplined effort to produce fundamental decisions and actions that shape and guide what an organization is, what it does, and why it does it.*"

—John M. Bryson. *Strategic Planning for Public and Not-for-profit Organizations.* Jossey-Bass, 1995

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“Planning is not a frill. It is not something that the Board... can leave to a rainy day after they have finished the ‘important’ work of the organization. Planning is one of its most important public trust responsibilities.”

—Marion A. Paquet, Rory Ralston, and Donna Cardinal. *A Handbook for Cultural Trustees. The Samuel and Saidye Bronfman Family Foundation in Cooperation with Alberta Culture, Board Development Program and Grant MacEwan College, University of Waterloo Press, 1987.*

“Planning cannot be introduced into an organization not yet ready to accept it; and, conversely, successful planning reinforces itself.”

—Leon Reinharth et al. *The Practice of Planning. Van Nostrand Reinhold Company, 1981.*

Board involvement in strategic planning is consistent with trends in governance. Involvement in strategic planning contributes to building a strong and able board. Strategic planning is the activity that engages boards the most. It makes board members feel like they are really accomplishing something. It is the way to maximize the board’s contribution to the not-for-profit organization.

Help is Available

The attached Strategic Planning Checklist provides a broad framework for strategic planning. As well, there are several guides to strategic planning. Some strategic planning workbooks that your board may find helpful are:

Bryson, John M. and Farnum K. Alston. *Creating and Implementing Your Strategic Plan: A workbook for Public and Not-for-profit Organizations.* Jossey-Bass Publishers, 1996.

Ginsler, Ernie. *Nine Steps to Strategic Planning for Non-Profit Organizations: A Workbook.* Kitchener, Ontario: Lamp Consultants, 1990.

Barry, Bryan W. *Strategic Planning Workbook for Not-for-profit Organizations.* Minnesota: Amherst H. Wilder Foundation, 1997.

Useful Web Sites to Check Out:

The Samuel and Saidye Bronfman Family Foundation at:
<http://www.bronfmanfoundation.org>

The Centre for Cultural Management, University of Waterloo at:
<http://ccm.uwaterloo.ca>

About the Author

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