

Organizational Strategy for Social Change

“Today, nonprofit professionals are faced with an increasingly competitive environment often coupled with a growing need for services. Leaders face escalating pressure to do more with less: to maximize resources, lower costs, and meet the needs of diverse stakeholders. In this environment, sound strategy is essential to an organization’s survival and prosperity.”

– Stanford Graduate School of Business

Nonprofit advocates face vast challenges with limited resources. We must therefore work smart by focusing and coordinating our efforts. **Organizational strategy** brings board and staff together with a common sense of what must be done to succeed. –

- ▶ Does your organization want to: [Create a shared view of actions most likely to produce favorable impact
- ▶ Capitalize on opportunities and reduce their chances of being blind-sided
- ▶ Identify needs for new organizational capabilities
- ▶ Prioritize areas for resource allocation
- ▶ Provide guidance for tactical decisions by all employees

These benefits and the approach to achieving them can also apply to defining **program and campaign strategy**.

Key Questions

Your organizational strategy should answer the following:

- ▶ **Where are you?**
- ▶ **Where do you want to go?**
- ▶ **How will you get there?**
- ▶ **How will you know if you’re on track?**

Where are you?

*Conduct and incorporate your **situation analysis**.*

The best strategies begin with a fact-based situation analysis of the external and internal factors influencing your organization. Because we can lose perspective based on the amount of time we spend thinking about our efforts, it is helpful to start with the external analysis, and then conduct your internal assessment.

- ▶ **Assess trends for stakeholders** (clients served, communities, funders, etc.) and evaluate organizations that are similar to or compete with your own.

Caryn Ginsberg

▶ The Postlamp Building
1402 N. Lincoln St., Suite 200
Arlington, VA 22201-4916

www.priorityventures.com
cginsberg@priorityventures.com
703.524.0024 fax: 703.524.0072

- ▶ **Gather information** to develop as accurate a picture as possible on what's happening. Data could include market research with stakeholders, reports on leading practices by other organizations, and interviews with experts in your field.
- ▶ **Identify your strengths and weaknesses** not just from management opinion, but also based on internal data, market research and input from leaders of other groups that work with you.
- ▶ **Link your evaluation to the external analysis.** It's not enough to say you have "good employees." Is your staff more effective than others in working with senior populations at a time where this demographic group is growing? Is your team highly respected by legislators on particular issues that may be active in the coming year? These are the specifics that will help you determine where to head.

Summarize the most important strategic issues for your internal and external environment. What opportunities or challenges face you now? What strengths can you leverage? What weaknesses must you overcome?

Where do you want to go?

*Define and pursue your **distinctiveness**.*

"Trying to be all things to all people can result in mediocre or low-quality; instead, nonprofits should focus on delivering higher-quality service in a more focused (and perhaps limited) way."

- *Key contention underlying MacMillan Matrix, an analysis tool from the web site of the Alliance for Nonprofits*

What distinctive role does your organization have or could it develop? Do you meet a need that no one else is addressing or have a unique skill? Do you offer something different that will attract members, donors and staff?

Your mission, vision and programs should define the distinctiveness your organization brings in fostering change. Although many groups tackle a social issue, your specific mix of stakeholders, competitors, partners, programs, strengths and weaknesses should suggest a special basis for success. For example, one group working to end companion animal overpopulation may provide affordable, mobile spay-neuter services to low-income, multi-ethnic communities; another may offer highly effective training based on its knowledge of adult learning to build the capacity of local shelter and rescue organizations; while a third operates a state-of-the-art spay/neuter clinic and trains organizations building similar operations. By focusing on what it does well, each organization creates more impact than if it utilized all three approaches.

How will you get there?

*Establish and follow **priorities**.*

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“When a strong sense of . . . identity and direction are absent, programs tend to go off in all directions . . . result[ing] in diffusion of effort and random results.”

- Thomas Bonoma, *Harvard Business Review*

Are you and your team facing more work than you can possibly do? Does it feel impossible to choose which new ideas to pursue and which to defer? Organizational leaders need to be clear on **priorities**, so that you can say no to some activities in order to get better results in others. Priorities are a short list of areas that are important to the organization’s success, must be meaningfully enhanced and will require the investment of significant resources. Examples of priorities include launching a major program, improving donor retention, enhancing the organization’s image and implementing outcomes measurement. Evaluate potential priorities against the following criteria:

Priorities should:

- ▶ Address strategic issues identified in your situation analysis
- ▶ Advance your mission, vision and distinctiveness
- ▶ Make improvement: establish something new, fix a problem or take something from good to great
- ▶ Need special emphasis within the organization to succeed
- ▶ Have the potential for meaningful progress in six to 18 months

Once you have identified your organization’s priorities, developing **action plans** for each will help ensure that your strategy is fully implemented. An action plan outlines specific steps you will take, breaking down the priority into more discrete, manageable pieces. Action plans should include **five to ten key milestones, start and end dates for each** and an **accountable manager**. Now review. Are responsibilities spread across the staff? Does the timing seem reasonable? Update your action plans over time, especially in response to unforeseen developments, revisiting your list of priorities if necessary.

How will you know if you’re on track?

Set and monitor goals.

You’ve probably heard the saying what gets measured gets managed. Quantifiable goals not only help you focus your efforts, but also enable you to monitor progress and modify your approach as necessary. Foundations are increasingly demanding measurable outcomes as well. Whether you’re setting goals for you organization as a whole or for specific programs, your measures should span the following categories:

- ▶ *Stakeholders.* Who are the audiences for your programs? Measure whether you are reaching people, meeting needs as they define them and achieving desired behavior change. Consider member retention and satisfaction, plus eligible grant renewals for your funders.
- ▶ *Operations.* Select indicators for customer service or internal processes based on which areas drive your effectiveness. Examples could include how long it takes you to return phone calls or what percentage of problems are resolved within 48 hours.

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- ▶ *Organizational.* Evaluate employee retention, skills acquisitions, meeting effectiveness and similar standards to track your organization's ability to grow. You might measure how many people leave the organization at their own initiative, what percentage of employees have passed a certification exam or how board members rate the quality of their time together.
- ▶ *Sustainability.* Although your organization exists for a purpose, not for a profit, you know you need to meet certain financial requirements to keep the doors open. Include goals for fundraising, adherence to budget and other monetary measures here.

Once you've chosen a goal definition such as increasing the number of active volunteers, you'll need to determine how much and by when. Set aggressive yet attainable **targets** by looking at current trends and considering the potential impact of new initiatives. If you've not collected data for a particular goal previously, you may need to track results for a while to develop a basis to choose the proper target. Design simple **reports** to monitor your progress against the goal.

Sound Strategy, Better Results

Progress is the bottom line for nonprofits. Whether you're helping individuals, advancing legislation, influencing businesses or promoting lifestyle changes, you've committed to do the best you can to advance your cause. Have you addressed where you are, where you want to go, how you'll get there and how you'll know you're on track? By incorporating a situation analysis, pursuing your distinctiveness, following priorities and tracking goals, your organization can increase its effectiveness in creating meaningful change.

Priority Ventures Group helps nonprofits identify and act on what matters most to advance social change. To learn more about how your organization can achieve better results by enhancing your strategy, please contact Caryn Ginsberg at cginsberg@priorityventures.com or (703) 524-0024.

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