



Organizational Development and Strategic Planning for Nonprofits

Organizational Development

- Organizations go through different stages of development in their lifetimes. Much like people, they experience lifecycle changes -- from birth and infancy ("start up") to adolescence and adulthood ("growth" and "maturity") and sometimes to stagnation or decline. There are challenges and opportunities inherent in each stage, and understanding the stage that your nonprofit is in will help you leverage opportunities and address challenges.
- Some issues nonprofits face as they move from one stage to another include leadership transitions (for both executive directors/CEOs and boards of directors) changing board roles and responsibilities, staffing capacity, and developing and refining financial and administrative systems.
- As a nonprofit's developmental needs change, the expertise and strengths of its board and staff leadership also need to change.

Strategic Planning

- Strategic planning helps provide an organization with an intentional and focused way to arrive at decisions and actions that will guide what it does and why it does it. Strategic planning typically involves a review and examination of an organization's mission, vision, values, goals, and objectives. As part of this process, the board and staff will oftentimes do a situational analysis. This involves both an *internal* analysis or examination of the organization's strengths and weaknesses and an *external* analysis or environmental scan that looks at trends, opportunities, or threats that might affect its viability.
- Nonprofits should have a clearly stated mission. A mission statement describes the overall purpose of an organization, and it answers the question, "Why do we exist?" It also says, "This is who we are and what we're all about."
- It is important for the board and staff to periodically revisit the mission. This review helps affirm the mission's relevance and accuracy. It can also be a catalyst for revising it to reflect changes in the external environment or in the nonprofit's particular field.
- The mission becomes the anchor for developing broad organizational goals and corresponding objectives and strategies. A major benefit of a clear and focused mission is how it can help the board and staff make decisions about continuing or expanding existing programs and services, eliminating them, or creating new ones.
- The time horizon for strategic planning has changed considerably in the past several years. Whereas before a five-year plan was the norm, it's now recommended that organizations use

a two- to three-year time frame. Given the complexity of managing and leading organizations in a time of rapid change, shorter time frames allow flexibility and adaptability to changing circumstances.

- There are a variety of approaches that a board and staff can take to strategic planning. The differences are usually the order in which certain parts of the process are done (e.g., developing the mission statement before or after conducting the situational analysis) or the particular activities conducted as part of the preparation (e.g., if interviews or surveys will be conducted with various groups of stakeholders, or if certain kinds of data need to be collected or research done).

Evaluation

- Evaluation is essential to nonprofits' operations. Not only must your organization be able to demonstrate the impact it's having, but your funders -- including the public at large -- want to know the effect your work has had on making demonstrable changes toward carrying out your mission. Evaluation can be done simply and doesn't necessarily require outside consultants (though some nonprofits use them with great success).
- A nonprofit should evaluate its programs and services in relation to its mission and also evaluate the organization as a whole through some kind of assessment. It's important to know if programs are effectively meeting the needs of your constituents, whether they're being conducted cost-effectively, and whether they're producing the anticipated outcomes.

Resources:

- Board and Staff Helpline, a confidential service for organizations that are Members of the N.C. Center for Nonprofits. Members can also access hundreds of Frequently Asked Questions on the website. Visit www.ncnonprofits.org/infocenter.asp.
- *Creating and Implementing Your Strategic Plan*, 2nd Edition, John Bryson and Farnum Alston, 2004, Jossey-Bass Publishers. Available from the N.C. Center for Nonprofits (www.ncnonprofits.org/pdf/publications.pdf).
- Free Management Library (www.mapnp.org/library/plan_dec/str_plan/models.htm).
- Innovation Network (www.innonet.org).
- N.C. Center for Nonprofits (www.ncnonprofits.org). To join, visit www.ncnonprofits.org/join donateaffili ate.asp, or call 919/790-1555, ext. 100.
- *Nonprofit Lifecycles: Stage-based Wisdom for Nonprofit Capacity* (www.stagewiseenterprises.com).
- *Principles & Practices for Nonprofit Excellence: A Self-Help Tool for Organizational Effectiveness* (www.ncnonprofits.org/principles.asp), published by the N.C. Center for Nonprofits. Provides 108 specific benchmarks for well-managed and responsibly-governed organizations.

HandsOn Northwest North Carolina and the N.C. Center for Nonprofits have created a close partnership to provide a seamless continuum of support services to Winston-Salem/Forsyth County nonprofits. These partners work closely together to ensure that services to local nonprofits tap all existing statewide and local resources and avoid duplication and the waste of resources. Visit HandsOn Northwest North Carolina at www.nonprofit-connections.org (or call 336/703-3029) and the N.C. Center for Nonprofits at www.ncnonprofits.org (or call 919/790-1555, ext. 100) to learn more.