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HELP SHEET

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Strategic and operational planning

Operational planning is the day-by-day and month by month planning for what your organisation is doing; strategic planning determines the entire direction of your organisation, including what it's not doing but should be doing. The two forms of planning must be integrated, but must not be confused.

Strategic Planning

This used to be called "long-range planning". The term "strategic planning" is now used to express the analytic and comprehensive elements of this type of planning.

The strategic plan aims to focus an organisation's vision and priorities in response to a changing environment and to ensure that members of the organisation are working toward the same goals. Strategic management harnesses the full potential of an organisation by integrating daily operational decisions into the strategic process. Strategic management is a task for the whole organisation all the time. It is a way of thinking and a guide to action, and should govern the behavior of everybody concerned. It enables organisations to think through and document what they are doing, for whom they are doing it, and why.

The planning process encourages organisations to re-examine their established directions and strategies for contemporary relevance and practical results, asking questions like Do we need to change our mission? Have the needs of our target community changed? Should we abandon much-loved programs that have outlived their usefulness, and concentrate our resources somewhere else? Do our current staff and management have the capacity and commitment achieve our goals?

Leadership

Above all, the strategic planning process needs drive -- the continuing commitment to pushing the process on through difficulties, obstacles and opposition. The whole process requires someone to be designated as coordinator and to be responsible for keeping the process moving against the timelines. Without a strong commitment, there will be no outcome -- which may explain why a recent study found that only 31 per cent of not-for-profits had a strategic plan at all (though the study also found that the organisations that did were more effective than the ones that didn't).

Consultation

After this comes the ability to recruit, consult and persuade members and stakeholders. A successful strategic planning process will be genuinely inclusive, involving all its stakeholders -- paid and volunteer staff, board, clients, funders, and the community.

Resources

There are resource implications in embarking on strategic planning. It's going to take time, staff, and attention away from your day-to-day operations. If your Board isn't prepared to commit resources to the project then you're better off not attempting it (which is perhaps why recent studies show that larger organisations are

you're better off not attempting it (which is perhaps why recent studies show that larger organisations are more likely to have a strategic plan).

The Strategic Planning Process

1. Environmental scan

Review your organisation's current local, political, social and economic environment. Identify needs, challenges, and opportunities. How are you placed to deal with all these? Run a SWOT analysis, an activity that identifies the organisation's current strengths, weaknesses, opportunities and threats.

2. Plotting Direction

On the basis of your environmental scan, identify the strategic decisions involved and decide what you need to do to respond to the major issues and opportunities you face.

3. The Mission Statement

Review your Mission Statement (the reasons why your organisation exists). Draw up guiding principles that will provide guidance and inspiration to staff and to the Board.

4. The Goals (or objectives, or outcome statements)

On the basis of the mission statement, choose your specific priorities. What are the things that need to be accomplished for the organisation to achieve its mission? Goals or objectives should be designed and worded as much as possible to be specific, measurable, and realistic.

Strategies

Action Plans

These are the strategies or activities that have been prioritised and selected to help the organisation achieve its goals. They clearly reflect and respond to the findings of the research documented in the environmental scan with a number of broad activities matched to each strategic goal.

Action planning also includes specifying responsibilities and timelines with each objective, or who needs to do what and by when.

It is also common for organisations to develop separate operational plans that include staff workplans for the coming year. Larger organisations will develop plans for each major function, division department, etc., and call these work plans.

Evaluation

This should also include methods to honestly monitor and evaluate the plan and its results, which includes documenting how the organisation will know who has done what, to whom and by when.

Budgets

Usually budgets are included in the strategic and annual plan, and with work plans. Budgets specify the money needed to implement the annual plan. Budgets also describe the main items of expenditure, for example, for human resources, equipment, materials.

Strategic planning -- a process, not a monument

The important thing to remember is that an organisation's strategic plan is not a monument, an end in itself, but rather a means of achieving its purpose. Many management experts have emphasised the need for the people implementing a strategic plan to have enough flexibility and authority to be creative and responsive to new developments. In reality this will normally mean changing the activities that have previously been selected to achieve the organisation's mission in the light of new opportunities or challenges.

The process is helpful only if it assists organisations to honestly test old assumptions in the light of new information about the present, and anticipate the environment in which the organisation will be working in the future.

Finally, the process is about building commitment and embracing public accountability through engaging key stakeholders in the regular process of identifying priorities and evaluating strategies in the pursuit of changing people's lives for the better.

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