SYNTHESIS

PARTNERSHIP

Critical Issues
in strategy, planning & organizational development

*A free e-letter of ideas
for effective organizations
Number Fifteen*

Strategic Action

Strategic planning is about organizational development and focused action. In this essay we look at how to create action items that will advance strategy and mission.

As I've discussed in earlier issues, many different skills are required for success in strategic planning, including the ability to:

- envision and lay out the arc of the whole process at the beginning (see CI #5: *The Structure of Planning*)
- gather, distill and build on information from various sources (see CI #5 and a future issue on assessment)
- engage the governing board, staff and other stakeholders in an inclusive process (see CI #1: *Why Plan* & CI #2: *The Secret Life of Surveys*)
- connect organizational mission to the actions that will be most effective in achieving it (see CI #7: *On Mission* & CI #8: *The Measure of Success*)
- help people through the changes that result from the planning process (CI#14: *Managing Change*)

This issue, *Strategic Action*, addresses the point where final steps of the *plan development* process set up the transition to the *implementation process*.

As described in CI #5, the structure we have found most effective for a strategic plan:

- starts with the statement of mission
- takes this mission into specific functional areas with broadly stated *mission-based goals*
- for each goal identifies focused areas of activity as *supporting objectives*
- defines the pursuit of each objective with a number of *action items*, each with a measurable result.

In this structure (see the "Plan Structure" sample), neither goals nor objectives are measurable directly. They bring the strategy down from the clouds (mission) by gradual steps (broad goals and more specific objectives) to the facts on the ground (actions).

Let's look at developing clear and specific action items that can achieve objectives that support goals that are essential to the mission. We'll consider what effective action items look like and how to:

- generate them
- evaluate them
- prioritize them
- track them
- keep a plan fresh by renewing them

Plan Structure

Mission-Based Goal: Advocacy:
Influence public policy in support of the mission of [org]

Supporting Objective 1:
Foster strategic relationships with decision-makers

Action (Measurable Result)
Create master contact list of decision-makers (Master list completed)
Develop structure for educating & supporting decision-makers (Structure defined)
Enhance website with info on current public policy (Website improved)

Supporting Objective 2:
Develop partnerships with congruent organizations

Action (Measurable Result)
Identify potential partners (Annotated list)
Identify/inventory current complementary work (Report)
Prioritize (Report to the board)
Develop relationship (Report to the board)

Mission-Based Goal: Financial stability:
Secure and manage the financial resources necessary to fund programs, operations and future growth.

Supporting Objective 1:
Ensure ongoing stewardship of financial resources.

Action (Measurable Result)
Grow endowment by reducing draw from 5% to 2.5% (Endowment valued at $X per member)
Create capital replacement fund using 25% of annual operating budget surplus (Fund at 2% of value of physical plant)

Supporting Objective 2:
Increase giving across all constituencies.

Action (Measurable Result)
Increase annual giving per [unit] to regional average (Standing increased by 5 percentiles each year)
Increase giving participation 2% each year (Increased number of donors)
Increase average gift by 5% each year (Fundraising report)

What Effective Action Items Look Like

Each action item needs to have not only measurable results, but also a time frame, a responsible party, and notation of resources required to accomplish it.

An action item and its measurable result should be:

1. quantified (you need to be able to determine that you have completed it)

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2. tracked (you need to be able to check it off on a monitoring report)
3. meaningful (it needs to contribute to achieving the stated objective)
4. achievable (it needs to be set realistically)
5. aspirational (it needs to be set at a challenging level)

In each of the examples in the "Plan Structure" illustration, the broadly stated goal (in the area of advocacy or finance) leads to a list of all of the routes (objectives) the organization can realistically pursue to get there (there could well be many more than two objectives). Then a list can be made of all of the specific actions that could be taken to achieve the objective.

Developing Action Items

To generate meaningful action items we have found it most effective to circulate the approved goals and objectives among staff groups and board committees, and to ask them to identify actions they can perform to support any of the objectives. A communications objective, for example, may well benefit from an action by the membership department or board membership committee, and vice versa. This approach may require some extra reassurance to staff that any new responsibilities will not just be added to existing ones, but that job descriptions and annual individual goals will be reexamined and adjusted as necessary.

As with any form of brainstorming, it is best to collect all ideas without too much evaluation, and then figure out how to use them afterwards.

Quantify and Track

There are a number of ways an action item can pass the test of these two criteria. In the two samples shown, there can be:

- a numerical target in the measurable result (*Fund at 2% of value of physical plant; Endowment valued at $X per member*); there can be numerical results in seemingly subjective areas, as well: changes in stakeholder perceptions could be measured by improving scores in an annual survey

- a numerical target expressed in the action item itself (*Increase average gift by 5% each year*), made trackable by putting the results into a report

- an action that has a clear measure of completion (*Create master contact list of decision-makers; Identify potential partners*)

- actions that are a bit more elusive (*Prioritize; Develop relationship*) and need to have a more perfunctory result (*Report to the board*)

Evaluating Action Items

When you do evaluate them you may find that a suggested action item meets all of the five criteria above, in which case it can go directly into the plan draft. But there are other options for suggestions that don't meet all five criteria.

First, of course, if a suggested action item is not meaningful, it should be discarded. However, if it is achievable and aspirational but can't be quantified or tracked (see sidebar, "Quantify and Track") it may be useful in a description of a goal or objective (see sidebar, "Internal and Public Versions"), or it may need to be shaped into an additional supporting objective with multiple action items of its own.

Internal and Public Versions

There are two different uses for a completed plan: it is a guide to strategic action, and it is evidence of strategy to existing and current stakeholders (including funders). These two uses require different versions of the plan.

The internal version offers action items with measurable results, completion dates, responsible parties and resources required. This is too much detail for a public version, and moreover, action items are important things you haven't done; not something to publicize.

The public version has, instead, brief descriptions of each of the goals and objectives to put them in context. An extra benefit of this approach is that each version can be refined with reference to the other. Does the description of the objective correspond to the action items identified? Are the action items necessary and sufficient

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Prioritizing Action Items

Once a plan is fully drafted, the action items in the plan should be reviewed by staff and board leadership for several factors (the goals and objectives typically will have already been approved):

- do the actions pass the scrutiny of those responsible for the organization (not just the proposers and the planning committee)?
- have the responsible parties and required resources been identified correctly?
- is the time frame for addressing each action item both appropriate and possible in light of the time required of the responsible party and other resources needed?

In the course of this last assessment, the plan can be confirmed and actions prioritized. See the modified Gantt chart on the next page.
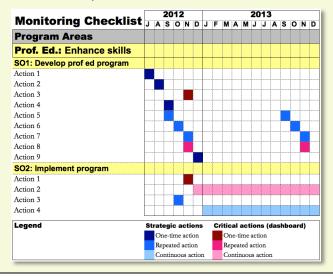
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Tracking Action Items

Once the plan is put in place for implementation, tracking tools appropriate to the specific needs of the organization should be designed and used. The objective should be to keep the board and staff informed of the progress of the plan and the performance measures that affect them.
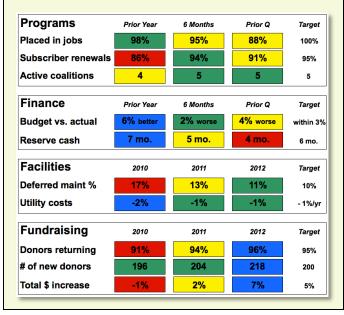
Tracking & Reporting

This checklist highlights critical items to be used in various dashboards (see below), and to distinguish among one-time actions, those repeated at intervals, and continuous actions.

Monitoring Checklist	2012 J A S O N D	2013 J F M A M J J A S O N D
Program Areas		
Prof. Ed.: Enhance skills		
SO1: Develop prof ed program		
Action 1		
Action 2		
Action 3		
Action 4		
Action 5		
Action 6		
Action 7		
Action 8		
Action 9		
SO2: Implement program		
Action 1		
Action 2		
Action 3		
Action 4		

Legend

Strategic actions:
- One-time action
- Repeated action
- Continuous action

Critical actions (dashboard):
- One-time action
- Repeated action
- Continuous action

Dashboards

Dashboards can highlight the measurable results that are key indicators of organizational progress and health.

Programs	Prior Year	6 Months	Prior Q	Target
Placed in jobs	98%	95%	88%	100%
Subscriber renewals	86%	94%	91%	95%
Active coalitions	4	5	5	5

Finance	Prior Year	6 Months	Prior Q	Target
Budget vs. actual	6% better	2% worse	4% worse	within 3%
Reserve cash	7 mo.	5 mo.	4 mo.	6 mo.

Facilities	2010	2011	2012	Target
Deferred maint %	17%	13%	11%	10%
Utility costs	-2%	-1%	-1%	- 1%/yr

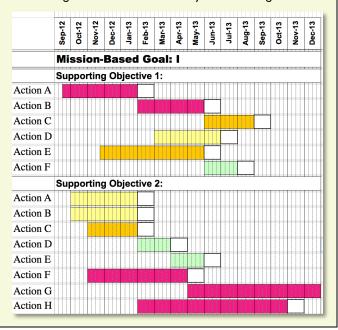| Fundraising	2010	2011	2012	Target
Donors returning	91%	94%	96%	95%
# of new donors	196	204	218	200
Total $ increase	-1%	2%	7%	5%

Renewing Action Items

It is often noted that we work in a context of quickly shifting conditions, and that strategy needs to be nimble. Moreover, once an organization has accomplished a year's worth of action items, the situation will have changed enough that the remaining actions need to be changed or replaced.

If a plan is structured so that the mission-based goals and supporting objectives endure from year to year, the action items can be refreshed annually through departmental operating plans.

Modified Gantt Chart

This chart can be used both for prioritizing and tracking action items. The timeline bars show when an action item is to begin and end, with a checkbox for reporting completion. The different colors denote the responsible parties; the chart can be reconfigured to group action items by responsible party, to reveal at a glance when someone may be over-assigned.

	Sep-12	Oct-12	Nov-12	Dec-12	Jan-13	Feb-13	Mar-13	Apr-13	May-13	Jun-13	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13
Mission-Based Goal: I																
Supporting Objective 1:																
Action A																
Action B																
Action C																
Action D																
Action E																
Action F																
Supporting Objective 2:																
Action A																
Action B																
Action C																
Action D																
Action E																
Action F																
Action G																
Action H																

Planning for yourself?

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