

## Strategic Thinking Is What Works

By Terrie Temkin

Much has been written over the years about the value of strategic planning, and it is the rare organization nowadays that doesn't know it should have a strategic plan. However, as a consultant that has dedicated the last ten years to facilitating such plans, I am calling "uncle." I think there is a better way. Strategic plans don't work. I believe there must be a shift to building strategic thinking boards.

### **Why strategic plans don't work.**

Traditional plans – those massive documents designed to provide organizations with long-term direction – are philosophically sound, but haven't proven to work in today's fast changing environment.

For one thing, the large majority of non-profit organizations don't have the required months, money or manpower to devote to the lengthy planning process. Strategic plans can cost \$5,000 to over \$100,000, take anywhere from four to 18 months, and involve the staff, board and other stakeholders. Even if organizations had the money to spend, the other factors are daunting.

The required commitment of time and effort is significant, if not prohibitive. I've known groups to spend months just rewriting their mission statement! Environmental scans to identify those trends that are likely to impact the organizations' plans can take hours and hours of work in the facilitation, recording and analysis of interviews, focus groups, or surveys.

And, of course, there is the time required to actually plan. Who has this kind of time to give? Many organizations have been forced to lay off staff due to the economic downturn. Typically, those remaining are stretched too thin to take on additional responsibilities, especially those as demanding as traditional planning. Some of these same organizations further complicate the situation by protecting their board members' busy calendars by giving them a pass when it comes to doing any work outside of regularly scheduled board meetings.



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Of course, there is the other end of the spectrum where organizations may spend three hours on a Saturday morning with just half the board in attendance, cobble together a few goals with no or minimal pre-planning, and call it a strategic plan. One has to wonder if the results can realistically be called a *plan* and how *strategic* this project could be.

Whichever direction an organization takes, what really destroys the effectiveness of strategic plans is when boards fail to use the plans as the guides they are meant to be – referencing them at every meeting, using them to make programmatic, human resource and financial decisions. They become instead expensive dust catchers. And, unfortunately, this scenario is more common than not.

Recently, other issues have arisen to affect the usefulness of strategic plans. The first is the speed with which our daily environment is changing. Strategic plans once covered a period of 10 – 20 years. Then it was five – seven. Today those organizations still doing formal strategic plans usually feel comfortable projecting no more than three years out. Yet, the organizations' work can't stop while their plans are being created. If it takes 18 months to write a plan and it isn't feasible to conceive a plan for more than three years out, half the plan should be obsolete by the time it is finished.

**Why we must shift to strategic thinking boards.** I am not suggesting that non-profits eschew planning even with these drawbacks to traditional strategic plans. The old adage, "*You don't have to plan to fail; all you have to do is fail to plan,*" remains true. Nor am I suggesting that nonprofits plod along, doing business as usual and relying on what they perceive as their importance to the community to keep them afloat. Dan Austin, a professor at Nova Southeastern University in Florida, warns us, "*Just because you are on the side of angels doesn't mean you are going to survive.*"

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## Strategic Thinking, continued

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To grow and prosper non-profits must adopt a culture that demands that its board members never stop thinking strategically. The organizations must rely on their boards – the entity ultimately responsible for ensuring an organization’s future – to constantly reason, challenge and express ideas from a strategic perspective. More than just a case of semantics, this is a critical change in focus for most boards.

Organizations search out the best and the brightest to sit on their boards. However, all too many of the organizations then ask these talented individuals to do little

more than listen to a series of reports. Questions – the underpinnings of strategic thinking – are often discouraged either because they lengthen the meeting or challenge the leadership. This type of behavior must change. We need to encourage not discourage questions.

**What is a Strategic Thinking Board?** A strategic thinking board asks questions and looks at ramifications, intuitively buying-in to what physicist Tom Hirschfield once said, “*If you don’t ask, ‘Why this?’ often enough, somebody will ask, ‘Why you (this organization)?’*” It realizes that the questions it asks will often be more valuable than any answers it receives. It wants to understand why each issue matters and how each decision will reflect on the organization. Such a board frames every decision against the organization’s mission, vision and values. Further, and equally important, it sees planning as part and parcel of every action the organization takes rather than as a discrete activity.

A strategic thinking board focuses its communication about issues around 12 key factors:

- Potential – Can this option help us meet our organization’s needs? It’s goals? Will it help us deal with the unpredictable?
- Philosophy – Is this option consistent with our values and policies?

*“...board members [must] never stop thinking strategically...”*

- Image – What does this option say about our organization?
- Stakeholders’ needs and desires – Will this option be readily acceptable to our clients and the community?
- Worldview – Is this organization more traditional or entrepreneurial in its approach?
- Sophistication level – How experienced is this organization with the wide range of options available? Are we ready to take on this particular option?
- Life cycle – Is this option appropriate given the fact that our organization is just emerging/is established/is a large bureaucracy/is on the verge of collapse?
  - Staffing – Do we have the people to carry off this option successfully?
- Risk – Are we opening our organization to excessive liability?
- Cost – Do the benefits of pursuing this option outweigh the costs?
- Competition – Is everybody (anybody) else doing this?
- TSWQ – The “So What” Question. What is really important about this? Will implementing this option make a difference?

Boards can learn to be strategic. The list on the following page describes some of the attributes of a strategic thinking board. You can use the list to assess the current status of your board, and from there, consider the steps you want to take to become more strategic. The payoff is real. Strategic thinking boards lead organizations that thrive. ☞

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**See Terrie’s “Attributes of Strategic Thinking Boards” on next page.**

## Strategic Thinking, continued

### Attributes of Strategic Thinking Boards

There are some clear characteristics of strategic thinking boards. Use them to assess your board, and to provide a goal toward which the board is working. Strategic thinking boards:

- Have a clear vision – shared by all the members – of the impact they desire their organization to have on the community.
- Make decisions and focus their energies based on organizational values that speak specifically to their organization's responsibilities and philosophies regarding clients and the community.
- Identify a limited number of organizational goals that, if accomplished during the year, will bring the organization significantly closer to the fulfillment of its vision.
- Take on a similarly limited number of vision-appropriate goals for which the board itself will be responsible.
- Hold their members accountable for achieving the goals.
- Are large enough to provide the different perspectives critical to good decision-making and promoting creativity, but small enough to encourage questions, challenges and fleetness of foot.
- Spend the majority of their meetings engaging in sufficient, meaningful dialog around one or two substantive issues.
- Concentrate on upcoming opportunities, as well as on what can be done about specific threats to the organization's success.
- Ask, "So what?" and other provocative questions.
- Probe underlying assumptions, never taking statements at face value.
- Explore multiple options before deciding on a course of action that will lead to the desired results.
- Have a comfort level with uncertainty and are willing to risk failure.
- Recruit people who can size up the environment, predict the most likely future, weigh the ramifications of various options, and determine the best direction for the organization.
- Orient their members to the organization and their role in the organization.
- Offer continuing board education at every meeting.
- Expect members to come to meetings prepared, able to read a financial statement and familiar with whatever indicators are used to communicate the organization's current status.
- Spend time at each board meeting talking about the executive director's concerns and how the directors can help eliminate those concerns.
- Discuss at each board meeting environmental issues that board members become aware of that have the potential to impact the organization either positively or negatively.
- Meet frequently enough throughout the year that board members stay informed, involved and capable of meeting their legal duty of care.
- Recognize that executive committees divide the board into those who have information and power and those who do not, and choose to meet only as a full board instead.
- Use today's technology – e.g., telephone conferencing and web conferencing – to increase participation at board meetings.
- Use committees and community resource or leadership councils to extend their reach beyond the board into the community.
- Commit to a true working partnership between the members and executive director.
- Build an organizational culture that rewards board members for thinking strategically.
- Conducts an annual self-evaluation to determine how successful the board was at thinking strategically, discussing options for improving its future actions. ☞ **Terrie Temkin**