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Planning For Non-Profits

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One of the clarion mandates for not-for-profit organizations in recent years has been the expectation that they run their operations "more like a business." It's a vital issue, but exactly what does it mean?

Part of the answer is a more comprehensive and strategic approach to planning — an approach based on the kind of hard-nosed accountability that successful businesses set for their own operations.

Good planning certainly isn't foreign to any not-for-profit organization that's been around very long. But the world is changing. It's changing so fast that the ink is hardly dry on an organization's plans before something happens to make them obsolete. In that kind of jolting environment, organizations must prepare and adjust continuously for rapidly changing trends and rare events which are critical to success, but difficult to predict.

Football Strategy

A winning football team is a good example. Before they ever hit the field, they scout and evaluate the opposition. They create an array of "scenarios" — what Peter Schwartz calls "stories with a purpose" in his new book *The Art of the Long View*.

When game time comes, the team is ready with a variety of plans to handle whatever their opponents throw at them. If their primary game plan isn't working, they have options already developed specifically for each situation they have anticipated.

Assistant coaches sit up in the press booth to gather the most current information about every move that takes place on the field. As game conditions change, they are reported to the head coach, who decides how to respond. If he changes the game plan, he informs the quarterback who, in turn, calls new plays in the huddle.

Even at that point, the team has options. If the quarterback gets up to the line of scrimmage and discovers that the defensive line-up is likely to kill the play he called, he has two options: 1) call a time-out to consult with the coach, or 2) call an "audible" at the

line so his team knows he is going to run a different play from the one he called in the huddle.

Use All Information

Bottom line, if the coaches and the quarterback don't take advantage of all the information and options available to them, the team's chances of winning in the long run are greatly diminished.

Now what about organizational planning? Same thing. First you have to do a realistic evaluation of your own strengths and weaknesses...conduct an extensive assessment of the environment...create an array of plans built on alternative scenarios...continually maintain a close watch on the environment and the competition...and design a response mechanism that will activate new plans on a minute's notice.

And be sure not to fall down on the basics like specifying clear action steps, assigning specific tasks, and establishing definitive time lines.

It's exhaustive, but with the pace of change in today's world, there simply is not enough time to go back to the drawing board and start over from scratch each time you hit a roadblock. What's more, the worst time to decide how to deal with a crisis is when you are in the middle of it. That kind of pressure typically leads to impaired judgment and poor decisions.

Outside Facilitator

Of course, comprehensive planning can take a lot of time and resources. So it is often advisable for an organization to use an outside facilitator to keep the process moving and provide objective guidance, at least initially.

It's also important to establish priorities for the various potential action plans, using two basic criteria: 1) What's the likelihood of a particular threat or opportunity occurring? 2) What's the potential impact on the organization's ability to operate successfully? Account for as much as possible, but

only develop full-blown scenarios and plans for essential matters.

In addition to being more comprehensive and strategic, planning should be a continuous cycle which generates operational action plans rather than an annual ritual designed to appease some bureaucratic decree. Many planners focus too much on the process for its own sake, placing "more concern on the quality of the rain dance than producing rain" according to local planning expert William C. Finnie. Planning has to become part of the fabric of day-to-day business, and it has to be oriented toward tangible results.

It also must be rooted in reality. The quality of the planning can be no better than the quality of the environmental assessment. Thorough research and evaluation should be part of the normal course of business.

One of the essential steps in that environmental assessment is a careful review of community needs. It is natural, but also deceptive, to assume that those needs remain basically unchanged over time.

Once those needs have been ascertained, make sure that you match them to the strengths of your organizations. You may find it necessary to take a look at your work from a radically new perspective. You may even have to reassess your mission statement and revise it if it no longer reflects your purpose. Be sure to prepare yourself for that possibility so you can remain open to fresh ideas and not throw the organization into disarray.

Ironically, some of the corporate funders, who are urging non-profits to operate "more like a business," need to heed their own advice when it comes to planning. Regardless of what the business community does, though, the imperative for non-profits in the 1990s is clear: plan well or perish. Who knows? If you do it especially well, you might be able to advise your funders on how they can operate more successfully, too. There's a good chance they're going to need it.

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