O Strategy, Strategy, wherefore art thou Strategy?

Lyn Corbett, University of San Diego

William Shakespeare
Introduce Yourself

1. Name
2. Organization
3. Your Strategic Challenge
LEARNING OBJECTIVES

1. Understand the need for strategy even outside of the formal strategic planning process

2. Identify tools and practices of good strategy and learn how to implement them in your organization

3. Be introduced to an alternative approach to the traditional strategic planning process
STRATEGY:
Strategy is a coordinated set of actions aimed at creating and sustaining a competitive advantage in carrying out the nonprofit mission.

-David La Piana

The Nonprofit Strategy Revolution
THE BASIC STRATEGY MODEL
“Even if you are on the right track, you’ll get run over if you just sit there.”

Will Rogers (1879 – 1946), American actor and comedian
ORGANIZATIONAL LIFECYCLES AND BOARD LEADERSHIP
Adaptive Learning

Source: Heifetz & Linsky: Leadership on the Line, 2002
Culture of Inquiry Checklist

- Questions are welcomed
- Differing viewpoints are encouraged
- Unwritten rules are explained
- Timely information exchanges
- Open communication
- Actively seek different viewpoints
- Tolerate ambiguity
- Brainstorm silently and openly
- Consult outsiders
- Search widely for information
Adaptive Learning

90 Day Micro Strategy Model
MICRO STRATEGY

LIST WHAT YOU WANT (OUTCOMES):

Y/N

ASSETS

LIST EVERYTHING YOU HAVE

CORE VALUES

LIST EVERYTHING YOU WILL DO

Y/N

ACTIONS
Catalytic Questions

How would we look as a takeover target to a potential or actual competitor?

If we could successfully take over another organization, which one would we choose and why?

What has a competitor done successfully that we would not choose to do as a matter of principle?

What have we done that a competitor might not do as a matter of principle?

What headline about this organization would we most like to see?

What headline about this organization would we least like to see?

What is the biggest gap between what the organization claims it is and what it actually is?

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**JLS Strategy Worksheet**

**OUTCOMES**

By: ___/___/___

**Core Values**

Everything you have: Everything you will do:

**A S S E T S**

What you want:

**A C T I O N S**

Everything you have: Everything you will do:

---

CultureSync.net
Catalytic Questions

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Core Values

By: __/__/___

Y/N

OUTCOMES

Everything you have:

Everything you will do:

Core Values

Y/N

ACTIONS

ASSSETSS

ACTIONS

Everything you want:

Everything you have:

What you want:
The diagram outlines a strategy worksheet for a potential or actual competitor. The worksheet includes:

**Core Values:**
- Mexican Heritage
- Determination
- Collaboration
- Integrity
- Commitment

**OUTCOMES:**
- Increase the number of individual donations by 40%: Y/N
- Do you have enough assets to meet your outcome?
- Will Your Actions Accomplish Your Outcomes?

**Everything you have:**
- Network of Relationships
- Available Budget
- Available Space
- Mexican connections
- Strong Parental Base
- Instructors
- Consultants
- Calendar of Events

**Everything you will do:**
- Conduct Board Assessment
- Identify 5 new Board Members
- Create list of current and past supporters
- Develop List of Current Vendors
- Identify 10 Businesses in surrounding community
- Develop 2 Mechanisms of Giving
- Conduct Participant Assessment
- Host 2 Friendraisers

**By:** 6/12/13

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JLS Strategy Worksheet

OUTCOMES

A
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S
Y/N Y/N

By: ___/___/___

Core Values

Everything you have:

Everything you will do:

What you want:

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Strategic Planning

Strategic planning focuses on establishing your organizational direction, setting priorities and identifying obstacles and opportunities that may limit or enable your to carry out its mission.

TCC Group
SWOT Analysis

A SWOT analysis is a process used to scan the internal and external environments in which your organization operates. **SWOT** stands for **S**trengths, **W**eaknesses, **O**pportunities, and **T**hreats. Use this diagram to conduct a SWOT analysis.
## Strengths

<table>
<thead>
<tr>
<th>Advantages of proposition?</th>
<th>Location and geographical?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capabilities?</td>
<td>Price, value, quality?</td>
</tr>
<tr>
<td>Competitive advantages?</td>
<td>Accreditations, qualifications, certifications?</td>
</tr>
<tr>
<td>USP's (unique selling points)?</td>
<td>Processes, systems, IT, communications?</td>
</tr>
<tr>
<td>Resources, Assets, People?</td>
<td>Cultural, attitudinal, behavioral?</td>
</tr>
<tr>
<td>Experience, knowledge, data?</td>
<td>Management, succession?</td>
</tr>
<tr>
<td>Financial reserves, likely returns?</td>
<td>Philosophy and values?</td>
</tr>
<tr>
<td>Marketing - reach, distribution, awareness?</td>
<td></td>
</tr>
<tr>
<td>Innovative aspects?</td>
<td></td>
</tr>
</tbody>
</table>
## Weaknesses

<table>
<thead>
<tr>
<th>Disadvantages of proposition?</th>
<th>Continuity, supply chain robustness?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gaps in capabilities?</td>
<td>Effects on core activities, distraction?</td>
</tr>
<tr>
<td>Lack of competitive strength?</td>
<td>Reliability of data, plan predictability?</td>
</tr>
<tr>
<td>Reputation, presence and reach?</td>
<td>Morale, commitment, leadership?</td>
</tr>
<tr>
<td>Financials?</td>
<td>Accreditations, etc?</td>
</tr>
<tr>
<td>Own known vulnerabilities?</td>
<td>Processes and systems, etc?</td>
</tr>
<tr>
<td>Timescales, deadlines and pressures?</td>
<td>Management cover, succession?</td>
</tr>
<tr>
<td>Cashflow, start-up cash-drain?</td>
<td></td>
</tr>
</tbody>
</table>
# Opportunities

<table>
<thead>
<tr>
<th>Market developments?</th>
<th>New USP's  Unique Selling Points)?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Competitors' vulnerabilities?</td>
<td>Tactics: e.g. surprise, major contracts?</td>
</tr>
<tr>
<td>Industry or lifestyle trends?</td>
<td>Business and product development?</td>
</tr>
<tr>
<td>Technology development and innovation?</td>
<td>Information and research?</td>
</tr>
<tr>
<td>Global influences?</td>
<td>Partnerships, agencies, distribution?</td>
</tr>
<tr>
<td>New markets, vertical, horizontal?</td>
<td>Volumes, production, economies?</td>
</tr>
<tr>
<td>Niche target markets?</td>
<td>Seasonal, weather, fashion influences?</td>
</tr>
<tr>
<td>Geographical, export, import?</td>
<td></td>
</tr>
</tbody>
</table>

- Market developments?
- Competitors' vulnerabilities?
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- Technology development and innovation?
- Global influences?
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- Geographical, export, import?
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- Tactics: e.g. surprise, major contracts?
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- Seasonal, weather, fashion influences?
<table>
<thead>
<tr>
<th>Threats</th>
</tr>
</thead>
<tbody>
<tr>
<td>Political effects?</td>
</tr>
<tr>
<td>Legislative effects?</td>
</tr>
<tr>
<td>Environmental effects?</td>
</tr>
<tr>
<td>IT developments?</td>
</tr>
<tr>
<td>Competitor intentions - various?</td>
</tr>
<tr>
<td>Market demand?</td>
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<tr>
<td>New technologies, services, ideas?</td>
</tr>
<tr>
<td>Vital contracts and partners?</td>
</tr>
<tr>
<td>Sustaining internal capabilities?</td>
</tr>
<tr>
<td>Obstacles faced?</td>
</tr>
<tr>
<td>Insurmountable weaknesses?</td>
</tr>
<tr>
<td>Loss of key staff?</td>
</tr>
<tr>
<td>Sustainable financial backing?</td>
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<tr>
<td>Economy - home, abroad?</td>
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<tr>
<td>Seasonality, weather effects?</td>
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</tbody>
</table>
SOAR- Strengths, Opportunities, Aspirations and Results

**Strengths**
What can we build on?

**Opportunities**
What are our stakeholders asking for?

**Aspirations**
What do we care deeply about?

**Results**
How do we know we are succeeding?
PEST Analysis

- Political factors
- Economic factors
- Social factors
- Technological factors
Political

- ecological/environmental current legislation
- future legislation
- international legislation
- regulatory bodies and processes
- government policies
- government term and change
- trading policies
- funding, grants and initiatives
- home market pressure- groups
- international pressure- groups
- wars and conflicts
Economical

- home economy
- economy trends
- overseas economies
- general taxation
- taxation specific to product/services
- seasonality issues
- market/trade cycles
- specific industry factors
- market routes trends
- distribution trends
- customer/end-user drivers
SOCIAL

- lifestyle trends
- demographics
- consumer attitudes and opinions
- media views
- law changes affecting social factors
- brand, company, technology image
- consumer buying patterns
- fashion and role models
- major events and influences
- buying access and trends
- ethnic/religious factors
- advertising and publicity
- ethical issues
Technological

- competing technology development
- research funding
- associated/dependent technologies
- replacement technology/solutions
- maturity of technology
- manufacturing maturity and capacity
- information and communications
- consumer buying mechanisms/technology
- technology legislation
- innovation potential
- technology access, licensing, patents
- intellectual property issues
- global communications
Strategy Change Cycle

A. Business Model
   - Who we are • What we do • How we do it • How we finance it

B. Market Awareness
   - Trends • Position • Competition

C. Competitive Advantage

D. Strategy Screen

E. Big Questions
   - Opportunities • Challenges

F. Develop and Test Potential Strategies

G. Implementation
   - Action steps • Ongoing use of tools • Evaluation

How do we get there? Who are we? Where do we go next? Where are we? How did we get here?
What is Strategy Built Upon?

A Sound Business Model = being clear about
- Who we are (our mission/vision)
- What we do (our program)
- How we do it (our structure and operations)
- How we finance it

Market Awareness = knowing
- What the market is
- Where we are in the market
- How we got there
- Where we want to go next

Competitive Advantage = the ability to produce social value
Types of competitive advantage

Asset advantages

- Better program design leading to better outcomes
- Unique attributes of programs or services such as linguistic or cultural capacity
- An accessible location or network of locations
- An attractive or specialized building or property that enhances program delivery
- A robust, diversified funding base that provides flexibility and stability
- Great name recognition and reputation among funders and constituents
- Powerful partnerships
- A well-connected board of directors

Execution advantages

- Lower costs to funders or customers
- Greater efficiency in delivering programs or services per dollar spent
- Better accountability and public reporting
- Faster delivery of programs or services (e.g., no waiting for service)
- Sound marketing and communications that raise visibility and awareness
ORGANIZATIONAL
Determine mission, vision, trends, competitors, partners, and market position

PROGRAMMATIC
Decide on approaches and offer programs and activities to achieve specific outcomes related to the target audiences

OPERATIONAL
Administer and oversee systems, policies, and personnel in areas such as finance, human resources, communications, and information technology
MISSION:  
[Write the organization’s mission here]

IMPACT: What is the impact we want to have?

CURRENT GEOGRAPHIC AREA

<table>
<thead>
<tr>
<th>Includes</th>
<th>Does Not Include</th>
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CURRENT CUSTOMERS

<table>
<thead>
<tr>
<th>Serve</th>
<th>Do Not Serve</th>
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</table>

CURRENT PROGRAMS / SERVICES

<table>
<thead>
<tr>
<th>Offer</th>
<th>Do Not Offer</th>
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<tbody>
<tr>
<td>RESOURCE COMPETITORS</td>
<td>COMPETITIVE ADVANTAGE(S)</td>
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</table>
How do we Monitor Progress?

**Highlights**

- **Membership**: Total membership declined by 645 since last year — or 22.3%. More troubling is that over twice as many members lapsed during this period — 924 compared to 437. Had the lapses remained constant, our membership would have declined by only 5.7%.

- **Budget Status**: Income is ahead of last year but below budget. By controlling expenses, YTD net is $5,425,875 significantly greater than last year and almost 5x this year's budget.

**Dashboards**
Destroyers of Strategy

- Shortage of time
- Vanishing culture of inquiry
- Avoidance of risk taking
- Lack of involvement of board in strategy
- Lack of vision and focus on the future
- Habit of holding on to old ways
“Give me six hours to chop down a tree and I will spend the first four sharpening the axe”

-Abraham Lincoln
Thank You!

Leadership is Intentional

Lyn Corbett
Lyncorbett@sandiego.edu
Richard P. Chait, William P. Ryan, and Barbara Taylor, in their book Governance as Leadership, suggest posing catalytic questions that invite creativity and exploration, and do not depend largely on data and logic to answer.


Ten Keys to Successful Strategic Planning for Nonprofit and Foundation Leaders TCC Group ([www.tccgrp.com/pdfs/per_brief_tenkeys.pdf](http://www.tccgrp.com/pdfs/per_brief_tenkeys.pdf))


8 Step Kotter Model of Change

Creating a Climate for Change
- Create Urgency
- Create a coalition
- Develop a vision and strategy

Engaging & Enabling the Whole Organization
- Communicate the vision
- Empower action
- Get quick wins

Implementing and Sustaining Change
- Leverage wins to drive change
- Embed in culture
Strategy Worksheet

1. What do we want to accomplish?
2. What does success look like?
3. How will we pay for it?
4. How does it align with our core values?
5. What resources do we have?
   - Political
   - Economic
   - Social
   - Technological
6. Any weaknesses, potential Barriers, or Threats?
7. How does it tap into our competitive advantage?
8. Guiding Team/Roles
9. Action Plans?
10. Where do we begin?
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# CORE VALUES

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<thead>
<tr>
<th>truth</th>
<th>persistence</th>
<th>resources</th>
</tr>
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<tbody>
<tr>
<td>efficiency</td>
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<td>dependability</td>
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<td>environmentalism</td>
<td>relationships</td>
<td>excellence</td>
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<td>power</td>
<td>wisdom</td>
<td>teamwork</td>
</tr>
<tr>
<td>control</td>
<td>flexibility</td>
<td>service</td>
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<tr>
<td>courage</td>
<td>perspective</td>
<td>profitability</td>
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<tr>
<td>competition</td>
<td>commitment</td>
<td>freedom</td>
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<tr>
<td>excitement</td>
<td>recognition</td>
<td>friendship</td>
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<tr>
<td>creativity</td>
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<td>influence</td>
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<td>quality</td>
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<td>support</td>
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