Strategy Development & Scaling for Reaching New Heights

Lester Olmstead Rose
Partner
La Piana Consulting

March 24th
8:30-10:00am Pacific
BUILDing for Growth
Selected Cohort
Overall Identified Challenges

<table>
<thead>
<tr>
<th>STAFF</th>
<th>SYSTEMS</th>
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<tbody>
<tr>
<td>▪ Naming and prioritizing needs</td>
<td>▪ Human Resources</td>
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<td>▪ Communication</td>
<td>▪ Organizational Structure &amp; Mid-Level</td>
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<td>▪ Organizational Culture</td>
<td>Management</td>
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<td>▪ Skills &amp; Development</td>
<td>▪ Facilities &amp; COVID response</td>
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<td>▪ Executive Leadership &amp; Decision-Making</td>
<td>▪ Operations &amp; Systems</td>
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<td>▪ Leadership Transitions</td>
<td>▪ Information Technology</td>
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<td>▪ Fund Development, Management, &amp; Long-</td>
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<td>Term Financial Stability</td>
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La Piana Consulting is a national firm serving the social sector since 1998. We partner with philanthropy to develop and deliver customized solutions to both individual nonprofits and grantee cohorts.

Lester Olmstead-Rose
Partner
Getting the Most from Today’s Workshop

Introduce Yourself
Post the organization you’re representing, your role, & location in chat

Ask Questions
Use the “Raise Hand” function or post questions in chat

Share Your Experience
Offer your own perspective & experience w/ strategy development to your peers

We will cover a lot at a high level, but I will do my best to address specific questions.
Please share verbally or in chat:

1. A question about strategy development and planning I have or…

2. A situation my organization is experiencing that requires a strategic response, for example…
   - Geographic or program expansion or reduction
   - New program areas
   - New partnerships
   - Merger exploration
   - Other
# Areas of Work

<table>
<thead>
<tr>
<th>Strategy Development</th>
<th>Business Planning</th>
<th>Mergers &amp; Partnerships</th>
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<tr>
<td>The social sector needs great strategic thinking, but what it often gets is an inflexible long-term plan. Our highly customizable approach, described in our book, <em>The Nonprofit Strategy Revolution</em>, combines clarity about long-term direction with tools to guide ongoing strategic decision-making, building the organization’s capacity to continually develop strategy in real-time.</td>
<td>Once a strategy is developed, our DARE² Succeed business planning methodology, described in <em>The Nonprofit Business Plan</em>, provides a rigorous methodology for analysis of its economic and operational requirements, projecting the financial and organizational impact of business model changes and growth strategies alike.</td>
<td>Powerful partnerships can help organizations expand their reach, deliver more effective programs, and save money, advancing their missions. We guide the process from assessment to negotiations to integration. We are a trusted resource to the sector on a full continuum of partnership options, combining objective analysis with careful attention to the people and processes necessary for success. Our Nonprofit Mergers Workbooks are the classic desk references in the field.</td>
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Today’s Focus

- Principles of Strategy Development
- Importance of Differentiating Strengths (Competitive Advantage)
- Introducing Tools and Developing a Strategy Screen
Principles of Strategy Development
Principle 1: Strategy is not Planning
What is Strategy?

A *coordinated* set of actions designed to create and sustain a *competitive advantage* in achieving a nonprofit’s *mission*.

Strategy is directional; it keeps your eye on the horizon and encourages measurement and accountability.
Understanding Strategy and Planning…
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Big Question: What do we need to resolve that affects the whole organization?

When do we lead, participate, and support?

How do we address staff capacity issues? How do we design our organization to support strategy?
Strategy in a Time of Change

Assess and analyze your current strategy

- Do you have a clear spot on the horizon that tells you where you want to get to?
- What are the trends impacting what you do — or need to do?
- Have you assessed if current short-term activities and objectives are adaptive to new information or circumstances?
- Are your short-term activities moving you systematically towards the horizon?
Based on the analysis, do you need a new organizational strategy altogether?

If so, then what Big Question are you seeking to answer? A “good” Big Question is mission-oriented and, if answered, provides clear guidance about how to answer other questions. For example:

- Should we expand geographically?
- Should we deepen our program offerings?
- Should we pursue new partnerships or a merger?
- What areas of work do we prioritize?
Principle 2: Know Thyself
Clarifying your Identity

Creating clarity about who you are is critical to your success

- Mission
- Impact
- Where you work? (geography)
- Who you serve? (clients/constituents)
- How you do it? (programs/services)
- How you fund it? (income sources)
- Competitive Advantage
Identity Statement

An honest description of an organization at a moment in time. It incorporates critical defining elements of an organization related to mission, business model, and organizational strengths. Effective strategic choices are rooted in a firm understanding of “who we are” as an organization.

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<tbody>
<tr>
<td>Mission</td>
<td></td>
<td>(Not applicable)</td>
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<tr>
<td>Result / impact (vision)</td>
<td></td>
<td>(Not applicable)</td>
</tr>
<tr>
<td>Who we serve (who we work with)</td>
<td></td>
<td></td>
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<tr>
<td>Where we work</td>
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<td></td>
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<tr>
<td>What we do / how we do this (programs)</td>
<td></td>
<td>(Not applicable)</td>
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<tr>
<td>Our competitive advantage</td>
<td></td>
<td>(Not applicable)</td>
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<tr>
<td>How we are funded</td>
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Who Does Our Work Benefit?

Who Do We Work with Primarily?
Principle 3: Build on your Strengths
Differentiating Strengths

Your competitive advantage will help determine…

- Why your organization is better suited to do certain work or how you can deliver a higher mission impact than another organization
- The role you play in the ecosystem
- Why others should trust you and invest in you

And it will serve to guide your strategic choices: choose to do more of what you are best at doing.
Differentiating Strengths

The more you understand your *competitive advantage*, the more strategic you can be about deciding whether to take an action and how to partner effectively!

Tip

*Understand your “market” — not only to know your competitive advantage, but also to stay current with innovations in order to adapt your work and your role.*
Competitor/Collaborator/Peer Network Analysis

- **Direct competitors** - Those organizations with the same market focus as your organization – they do what you do (that is, they have a similar program/service) within the same geographic area, for the same types of constituents.

- **Substitutable competitors** - Those organizations that meet the same need that you meet, but in a different way.

- **Resource competitors** - Those organizations that do not compete with you for constituents, but do compete for other resources such as funding, board members, other volunteers, paid staff, and media attention

Examine the following:
- Board
- Volunteers
- Diversity of funding
- Availability/amount/types of funding
- Programs or services (type, quality, number of services provided)
- Mission-related impact
- Other
What are one or two strengths my organization enjoys that set us apart?

Note: comparison is with organizations that have overlapping missions or areas of work.

Share conversation highlights in Padlet.
Principle 4:
Make Your Decision-Making Criteria Explicit
Strategy Screen

What it is

Explicit criteria for decision-making
Tool to challenge the organization’s thinking
Aid in weighing choices

What it is not

A rigid framework
A checklist
A set of absolute values
### Strategy Screen: Decision-making Criteria

**Is this decision...**

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<td></td>
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<td></td>
<td><strong>...achievable through staff and funding resources we have or can obtain?</strong></td>
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<tr>
<td></td>
<td><strong>...financially sustainable?</strong></td>
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<td><strong>...supported by our core stakeholders?</strong></td>
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## Strategy Screen: What Elements Would I Add?

**Is this decision…**

| …the best way to achieve our mission? |
| …leveraging and/or supporting our competitive advantage? |
| …advancing racial or social justice? |

### Additional Criteria:

- environmentally sustainable
- being told needed/wanted
- Capacity to take on
Big Question: Should we focus on expanding our community building efforts or our policy capacity?

Applying the Strategy Screen: Example

<table>
<thead>
<tr>
<th>Criterion</th>
<th>Community Building</th>
<th>Policy - Insider</th>
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<td>...the best way to achieve our mission?</td>
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<td>...fills a gap not provided by others</td>
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Tools
Tools

Tools can be found on the BUILDing for Growth webpage and will be emailed out after this workshop.

Tools provided include:
• Identity Statement
• Funding Sources Worksheet
• Trends Analysis Worksheet
• Competitor Analysis Worksheet
• Applying the Strategy Screen
• Future Identity Statement Template
Summary

- Focus on Organizational Strategy
- Know who you are and build from that
- Leverage the strengths that differentiate you from others
- Be intentional about what drives your decisions
Exit Poll
Thank you!

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