

## Strategic Planning

Typically, we create a strategic plan for clients with three core sections: a mission statement, a roadmap for reaching the key goals in next 3-5 years, and an impact dashboard to track progress along the way.

### I. Proposed Approach

Our cumulative experience is filled with anecdotes of great leaders and those that stumbled. We have both seen planning approaches that work well and ones that we never want to use again! Everything we create and every exchange we have with our clients is riveted on the shortest, straightest and most potent path to meet your collective goals. We are committed to facilitating exchanges that are contextual, scalable, pragmatic and informed by what we know will translate into action and improved performance. We want leaders to be engaged in developing plans that are immediately implemented in their organizations. Three guiding values underlie everything we do:

- We believe leaders operate within very complex environments and we resist the urge to oversimplify your realities.
- Humans' best thinking emerges in a forum based on the free exchange of ideas. We create safe spaces to try out new ideas and behaviors that breathe new energy into your leadership and your organization.
- We honor the resident individual and collective wisdom of leaders and build from the base of your strengths.

We recommend clients approach strategic planning in six steps.

1. **STEP ONE: REVISIT PURPOSE.** A shared sense of purpose is what fundamentally enables effective work at scale. Having a clear mission also lifts people's efforts above the level of the everyday, providing meaning and the glue that integrates the work of one into the work of many. With a clear, succinct mission statement, anyone can listen to a brief description of your organization and its potential and in a few moments, understand who you are, why you exist and how they can engage.

We begin every engagement by revisiting and, if necessary, clarifying the organization's purpose, because this is the foundation that grounds all subsequent work and decision-making. By design, this is a collaborative and energizing exercise. The duration of this step is determined by the organization's stage in development. For some, this is a quick reminder of previous work, a time to connect with the essential touchstone. For others, this can be a more involved effort; an investment of time up front, that speeds the rest of the process.

**First Deliverable:** Statement of Purpose

2. **STEP TWO: ARTICULATE LONG-TERM GOALS.** Impact is the ultimate measurement of success for many organizations. In the nonprofit sector, this step involves articulating what is called "theory of change," which is another way of describing an organization's desired long-term goals and

outcomes in workable terms. Research shows describing how and why a desired outcome is expected to happen improves the odds of achieving improved outcomes. Equipped with clear goals, products can be developed, customers can be cultivated, progress can be tracked, staff and partners can be held accountable, programs can be initiated and/or improved, and tough decisions about allocating resources can be made.

The second step in our process is to articulate and clarify a client's theory of change. We see this as a "sanity check" – making sure the lofty purpose is grounded in reality. This activity focuses on mapping out or "filling in" what has been described as the "missing middle" between what you say you want to do and how you plan to achieve the desired goals. By first identifying the desired long-term goals, we then work back to identify all the conditions (outcomes) that must be in place (and how these relate to one another causally) for the goals to occur. Like the mission statement, articulating long-term goals involves a collaborative exercise which is customized to suit each client's context. The statement of purpose and goals go hand in hand, and guide the remainder of the planning effort.

**Second Deliverable:** These goals are sometimes a written statement, sometimes a picture, usually both. In our experience, this deliverable is best prepared in whatever format ensures it will be easily used by various stakeholders. It should work for sales presentations, board meetings, as well as a variety of other day-to-day activities. This comprises the first component of the impact dashboard.<sup>1</sup>

- 3. STEP THREE: DEFINE SHORT-TERM GOALS.** To define exceptional goals, one must not just look for facts, but nuances and possibilities to make connections, see patterns, think around corners, ask questions, be creative, be conceptual and set priorities. For some clients, we recommend that assessing industry trends, opportunities and threats in the current political and social landscape serve as the third step of our strategic planning engagement. Insular thinking is the death knell of this step, and so it is critical to look around, look outside and look ahead when making plans.

Success often depends on the quality of a network of relationships, and so this is an interactive process. The team can amass its collective intelligence using whatever method best suits its situation. In many cases, individuals in the room possess significant knowledge, and all that is needed is time and attention to share and consider opportunities and trends collectively. This often sparks questions and leads to a collective research effort, as team members simultaneously strengthen the team's network while gathering additional information about the competitive landscape. In some cases, a deeper dive involving external resources may be desired.

This assessment might also catalog resources (e.g. talent, expertise, money, events) that a client would like to tap. If appropriate, this step can review current organizational structures, management practices, teamwork, decision-making and culture. Success depends at least as much on how the organization is mobilized as much as on the big ideas themselves. In some cases, organizations include consultation with customers or other stakeholders whose perspective might contribute to a better understanding of the future the client wants to create. Throughout this step,

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<sup>1</sup>Root Capital's website includes a sample impact dashboard we admire. Selected items highlighted in the appendix.

we apply our signature collaborative approach to outlining desired goals (a.k.a. outcomes/targets). Ultimately, the group will develop a shared sense of key challenges, opportunities on the horizon and problems to be solved.

**Third Deliverable:** Desired outcomes and targets – the second component of an impact dashboard.

4. **STEP FOUR: ANALYZE GAPS.** The fourth step is fundamental and straightforward. Now that you have outlined your short- and long-term goals, what assets do you have? Which activities are already underway? What infrastructure, funding, physical resources, talent, expertise is missing? What unrealized potential might be cultivated?

We approach gap analysis through a process of generating alternatives and debating priorities. As with other steps, this analysis should clarify and energize future actions. This discussion can address a range of topics including staffing design, organizational capabilities, internal systems and human capital.

**Fourth Deliverable:** Gap analysis including organizational capacity and development goals, the third component of the impact dashboard

5. **STEP FIVE: DEVELOP METRICS.** Once a client has defined goals and listed key gaps, the team is in position to develop specific metrics to measure progress toward intended outcomes. We believe in the theory that “less is more,” and so will push the team to ruthlessly synthesize and select the most helpful and potent metrics for tracking its efforts over time. We aim to identify measures that ensure thoughtful reflection without hindering rapid experimentation, growth or innovation. Ideally, a client’s metrics will deepen current efforts, push the pursuit of new and useful activities, all while enabling it to adjust actions and choices based on what is learned along the way. Funder requirements will also be factored into the selection process.

We help the team to select metrics through a process of identifying options, considering pros and cons of each, before winnowing down the best of the best. If a client already uses certain metrics, we will also review the ease and utility of current measurements during the selection process.

**Fifth Deliverable:** 7-12 metrics, the fourth and final component of the impact dashboard

6. **STEP SIX: CREATE ROADMAP.** The last step is moving from insights to action. By weaving all these ideas together, a client can accelerate its progress and reduce time spent on unproductive actions. We co-create a high level 3-5 year roadmap for action by integrating the goals and ideas articulated in the impact dashboard into the current reality. This allows the document to be a “living plan” rather than a static one.

We make every effort to build roadmaps based on the best of any current operating plans or systems, while breathing new life and best practices into the process. We customize the design of the final product to match the client’s preferences.

**Sixth Deliverable:** Roadmap outlining 3-5 year plans for action

Taken together, these six deliverables constitute a living strategic planning document and set of tools for facilitating a client’s efforts into the future.

## II. Sample 3-6 month timeline

This planning process is designed to flex to the needs, developmental stage and budget appropriate and available. It can be collapsed into as little as 12 hours (assuming the client does the bulk of the work internally) or can expand to encompass a series of full-day workshops spanning months. Most clients land somewhere in the middle of this spectrum, and thus outline a process assuming a series of six half-day meetings over 3-6 months. This can happen rapidly or more patiently, as best suits each client’s agenda and leaders’ availability. Here is a sample timeline:

|                  | Activity/Agenda   |
|------------------|---|
| <b>Prewrite</b>  | <ul style="list-style-type: none"> <li>- Phone call or meeting to outline specific project timeline and milestones</li> <li>- Identify participants in this process</li> <li>- Schedule meetings</li> <li>- If applicable, outline competitive intelligence gathering process and assign research topics</li> </ul> |
| <b>Meeting 1</b> | <ul style="list-style-type: none"> <li>- Project overview and introductions</li> <li>- Revisit mission and refine as necessary</li> <li>- Review research assignments if applicable</li> <li>- If time, begin work to articulate long-term goals</li> </ul>   |
| <b>Meeting 2</b> | <ul style="list-style-type: none"> <li>- Review mission</li> <li>- Begin or continue work with long-term goals</li> <li>- Check in on research assignments</li> <li>- If time, initial discussion of short-term goals/desired outcomes</li> </ul>   |
| <b>Meeting 3</b> | <ul style="list-style-type: none"> <li>- Complete first draft of long-term goals</li> <li>- Competitive intelligence presentations and interactive discussion of desired future, challenges, opportunities etc.</li> <li>- If time, begin outlining goals/desired outcomes</li> </ul>                               |
| <b>Meeting 4</b> | <ul style="list-style-type: none"> <li>- Define goals/desired outcomes</li> <li>- Begin gap analysis</li> <li>- If necessary, revisit short- or long-term goals</li> <li>- Assign offline brainstorming on potential metrics</li> </ul>   |
| <b>Meeting 5</b> | <ul style="list-style-type: none"> <li>- Complete first draft of goals and gap analysis</li> <li>- Discuss, evaluate, and select metrics</li> <li>- Review mission and long-term goals</li> <li>- Assign roadmap homework</li> </ul>  |
| <b>Meeting 6</b> | <ul style="list-style-type: none"> <li>- Finalize impact dashboard</li> <li>- Build roadmap</li> <li>- Celebration!</li> </ul>  |
| <b>Final</b>     | <ul style="list-style-type: none"> <li>- Compile planning document</li> </ul>   |

### *Budget*

We work with clients to develop a project plan that falls within their budget. We can flex to provide more facilitation or more offline writing support, depending on your needs. If cost is an issue, we can explore virtual meetings (which has pros and cons), a reduced scope, or an extended timeframe.

## Sample Impact Dashboard with Metrics (Root Capital)

<https://rootcapital.org/our-impact/>

**Theory of Change<sup>2</sup>:** We look for places where environmental vulnerability and unmet financial need are great. We find businesses that are doing the most to address those conditions. And we support them so they can do even more.

**Overall Impact Statement:** Since our founding in 1999, we have lent \$1.3 billion to over 690 enterprises reaching 1.3 million farm families (5.9 million people), and provided training to over 1,340 enterprises.

### Key Metrics:

|   |   |
|---|---|
| <b>We go where the need is great.</b>   |   |
| 63%   | of our clients support farmer households living on less than \$4 per day  |
| 95%   | of our clients operate in an environmental vulnerability hotspot (biodiversity, soil, water, or climate change) |
| <b>We look for enterprises that are doing the most good.</b>                        |   |
| 88%   | of our clients invest intensively in one or more social services for farmers or employees                       |
| 67%   | of our clients are certified by a major social or environmental standard  |
| <b>We support those enterprises with loans and training.</b>                        |   |
| 1,347   | Enterprises trained   |
| 691   | Borrowers   |
| 2,382   | Total number of loans   |
| \$52.2M   | Average outstanding balance for the past quarter  |
| \$97M   | Disbursed to clients over past four quarters  |
| <b>So they can do even more to benefit small-scale farmers and the environment.</b> |   |
| 5.9M  | Household members reached   |
| 1.3M  | Farmers reached   |
| 285K  | Women farmers reached   |
| \$4.5B  | Payments to producers   |
| 1.8M  | Hectares under sustainable cultivation  |

Percentages are based on 2018 loan portfolio. All other numbers are cumulative and current as of quarter end – 12/31/18.

**Note:** while Jen participated in many impact discussions while at RC, the above iteration of their dashboard is not her work.

<sup>2</sup> In the nonprofit sector, long-term goals are often built into a theory of change. Learn more about this idea at <https://www.theoryofchange.org/what-is-theory-of-change/>