

Boardroom Bearings

Navigating to Board Excellence

July 13, 2015



New: Series on Strategic Planning

Regular readers of this newsletter are familiar with its structure: a) one or two feature articles, usually in a series on a particular topic such as the recent series on board responsibilities; b) short articles on a variety of topics that link to further reading; and c) a "Question of the Month."

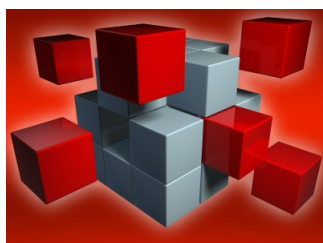
With this issue, we begin a new series on strategic planning - one of the key responsibilities of nonprofit boards.



Implementing the Strategic Plan: Stumbling Blocks and Counter-measures

A majority of nonprofits have a strategic plan, but a majority fall short when it comes to implementation.

BoardSource's [biennial study of boards](#) reports that "While boards are generally involved in strategic planning and program oversight, they struggle with doing it well." Further, "While 81% of boards approve the final strategic plan, only 20% of CEOs give their boards an A...in following it" (page 25). Nearly 35% of chief executives gave their boards a C, D, or F grade in strategic development efforts.



After investing time, energy, and money in a strategic planning process, it is a sad waste of vital resources when organizations forget about the plan and go back to business as usual. Below are four implementation stumbling blocks along with suggestions for counter-measures.

In This Issue

Implementation: Stumbling Blocks and Counter-measures

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The Organization is Out of Alignment

Accountability is Weak

Resources are not Allocated

Dashboard for Your Strategic Plan

Question of the Month

Measurement and Review are Inadequate

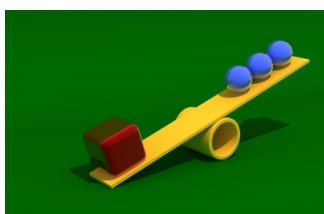
Management gurus learned long ago, "That which is measured, improves." Unfortunately, all too often, organizations don't track accomplishments and don't look at their plan until a year or even more has passed. When a lack of measurement and review are combined with the crisis-of-the-day, it is easy to see how important strategies can die on the vine.

How to avoid this stumbling block

- Be sure that the strategic plan includes an implementation plan and that each strategic initiative has a timeline, budget, who is responsible, AND how it will be measured and when it will be reviewed.
- At each board meeting, use the implementation plan to keep the board engaged with what has been accomplished and what lies ahead.
- Consider using a dashboard so board members can easily see what initiatives are on track and which are not. (See the article on dashboards in this newsletter).
- Conduct quarterly and annual reviews of the strategic plan. Discuss adjustments that are needed. Things change and so should the plan. Make revisions.



The Organization is Out of Alignment



Dr. Jay Galbraith from the Marshall School of Business at the University of Southern California and author of *Designing Organizations: An Executive Guide to Strategy, Structure and Process*, wrote, "Too many organizations have tomorrow's strategy, today's structure and yesterday's reward systems." Check to see if your organization follows the design principle, "form follows function."

How to avoid this stumbling block

- Appoint a strategic plan champion - a board member who will make it his/her job to keep the strategic initiatives in view at all times. When a board decision is being discussed, this person will be asking "How does this decision impact our ability to achieve the strategic plan?" He/she should work in close partnership with the chief executive who is the strategic plan champion for the staff.
- Build meeting agendas on the strategic initiatives. Adopt the [consent agenda](#) method for board meetings so that sufficient time can be devoted to strategy discussions.
- Add the strategic plan to the board notebook. Encourage board members to keep the plan front-and-center during decision-making and regularly ask "Where does the discussion we are having fit into the strategic plan?"
- Reshape board committees to reflect the strategic directions. Too often, great new priorities are set at planning retreats, and then the work is relegated to tired old committees where it's too easy to go back into "same old" behavior.

Accountability is Weak

Infrequent review and lack of alignment (articles above) often support a third major cause of strategy execution issues -- lack of accountability. When people are asked to give an account for their actions and when there are positive or negative consequences related to results, execution usually improves.



How to avoid this stumbling block

- Setting direction is one of the responsibilities of all nonprofit boards. The strategic plan is an essential direction-setting document and the board must take ownership of it. Board members need to hold themselves accountable for achieving the strategic plan.
- When the Governance Committee guides the annual board self-assessment process, include a few questions about how well the board executed its responsibilities for implementing the strategic plan.
- Make sure that responsibility for implementing the plan is shared by board and staff. It is unrealistic to expect staff to shoulder 100% of the responsibility. By keeping board members engaged in the success of each strategic initiative, the plan has a better chance to remain a living document which is followed and implemented. Assign each piece of the implementation plan to someone - whether a board committee chair or a staff member.

Resources are not Allocated



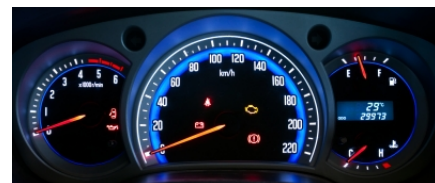
At Centerpoint, we often say that strategic planning, when done correctly, can involve conflict. Why? Because usually an organization's resources are finite and usually new initiatives require resources. For example, "Grow the membership" is a worthy initiative, but nothing will change unless human, financial, and infrastructure resources are allocated to achieving it.

How to avoid this stumbling block

- Examine what it will take to implement each strategic initiative. Money, probably. But what about staff time? Additional technology? More space or equipment? If someone is expected to take on a significant new responsibility, what responsibility will be removed from their job description?
- Don't be afraid to ask "Is this realistic? Can we really do this? What would it take?" and make the necessary adjustments.
- Be prepared to "put your money where your mouth is."

Dashboard for Your Strategic Plan

Using a dashboard is a great way to monitor progress on the implementation of the strategic plan. Last month's issue of *Boardroom Bearings* included an article on dashboards and links for three resources. If you missed it, [click here](#).



Another resource is available from BoardSource: "[The Nonprofit Dashboard](#) [book or .pdf] presents many different styles of dashboards and offers easy-to-read, detailed, four-color illustrations to help boards and staff get started with their own dashboard reports. ...downloadable content includes a dashboard generator file and two customizable dashboard templates."

Question of the Month

Q: How many years should the strategic plan cover?

A: Fit your strategic plan to your organization.

Not too many years ago, the typical planning horizon was five years or more. Today, many executives and consultants caution against planning more than two or three years out. At Centerpoint, we encourage clients to do what makes sense for them.

If your organization has been around awhile and has achieved some stability, a three-year plan might be just right. Five-year (or longer) plans are not uncommon for public school systems, municipalities, and larger well-established nonprofits with intensive capital needs.

One approach is to fit the strategic planning cycle to the board chair's term. For example:

- Develop the strategic plan during the year before the new chair takes office.
- Have the chair-elect play a central role in developing the new strategic plan.
- Put the plan into effect when the new chair takes office.
- The new plan focuses the chair's leadership and the accomplishments become his/her legacy.

In strategic planning, one-size-does-not-fit-all. For grassroots organizations, all-volunteer groups, and nonprofits in the start-up phase, a two-page action plan to guide decisions for the next eighteen months is sufficient.

Again, choose the time frame that's right for your particular organization and circumstance.

Please remember: You are invited to submit questions by emailing them to kdw@centerpointinstitute.com. And if you have a troubling governance issue and need someone to talk with, confidentially, call 815-545-1300 or send an email.

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