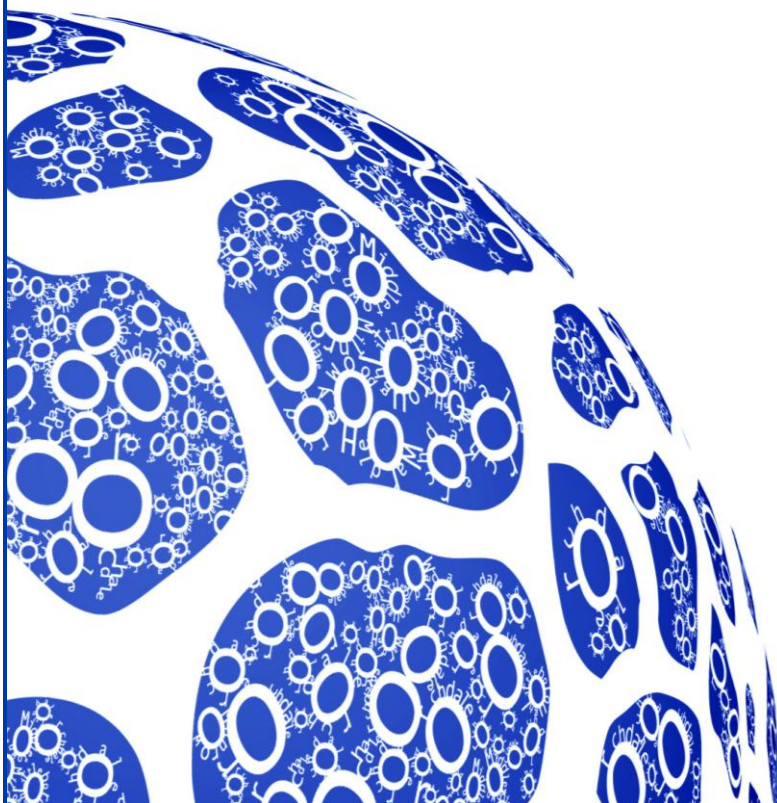


COUNCIL FOR VOLUNTARY SERVICE

Rochdale

Strategic Planning Handbook

A guide to planning for not for profit organisations



Rochdale

Introduction - Strategic Planning and Business Plans

Strategic Planning is the process of defining its future strategic direction, making decisions about the future of your organisation, defining how to make those decisions a reality and making sure it happens. It is essential in the current climate in order to ensure that everyone involved with your organisation is aware of clear aims, objectives and outcomes and are all working in the pursuit of these.

A Business Plan is the written formal document which sets out organisational goals, the reasons why they are believed attainable, and the plan for reaching them. It represents all aspects of the strategic planning process. A business plan is a clear statement of the developments your group or organisation will undertake over a period of time, usually three years to five. It represents a combination of your ideas and the costs of putting them into practice.

You may draw up a business plan for your entire organisation and its development, or for a particular project.

Preparing to Plan

Commitment The planning process starts with commitment at the highest level – with those responsible for the organisation. Commitment means not only deciding to plan, but enabling the organisation to plan by allocating sufficient resources, being prepared to overcome obstacles and leading by example.

Preparation

Planning is an organisation wide exercise and introducing it needs to be thought about. How will the idea of planning be introduced? Who needs to be involved? What tasks will have to be done to create the plan? How long should be allowed?

Outline what needs doing, when and by whom, for example, when and how will you carry out a review; who will edit the plan; what needs trustee input and when are the board meetings?

Involvement

Ideally, in order for this to be effective you need input from different people within the organisation; staff volunteers as well as Board members. Work out how people are to be involved, whether they are to be decision makers, contributors of information, opinion or ideas, or whether they just need to be kept informed. The review process could be done at staff/Board meetings or done collectively at an away day.

The Strategic Planning Process

Four key stages need to be addressed.

1. An Organisational Review
2. Operating Environment Scan
3. Strategy Formulation
4. Strategy Implementation

When these stages have been worked through, then the results can be incorporated into writing the finished Business Plan. This toolkit will take you through the planning process and tell you what you need to include and different approaches which are useful.



Stage 1 - Organisational Review

Review

To set the scene, give your organisation a through review. What strengths do you have to build on? What weaknesses do you need to address? What is happening in the world outside your organisation, such as changes in the law, in the profile of your users and in local authority policy? How might these changes affect your organisation?

Information

Information is the backbone of the plan – taking decisions without information is no more than guessing. A good review will gather plenty of helpful information, but it will probably also raise some questions that you'll need to find answers to. Look to see what other information your group needs before it can make important decisions about the future.

Information about the needs of users is especially relevant. You'll certainly need enough information to work out the likely effect on the organisation of different decisions and courses of action.

Make sure you gather the right kind of information. Quantative (numerical) data is often easy to acquire but doesn't always tell you what you really need to know. Often more difficult to define qualitative 'soft' information will be of more value.



Just follow the straightforward instructions on the next few pages.....

To begin:

In order to carry out the organisational review, remember you will need input from others within your organisation. This could be carried out at a staff or Board meeting or at an annual away day if your organisation has one. The purpose of the review is to ensure that the aims and objectives that were the reason for the organisation being set up are still current and relevant in today's climate. It is helpful to revisit;

Vision – the desired future state of the organisation or the community it serves

Mission

This is the broad change your organisation exists to bring about. It also needs to say who or what the organisation exists for, a specific geographical area, a particular community, people with specific needs.

Aims

These are the planned areas of change or benefit that is to be addressed.

Objectives

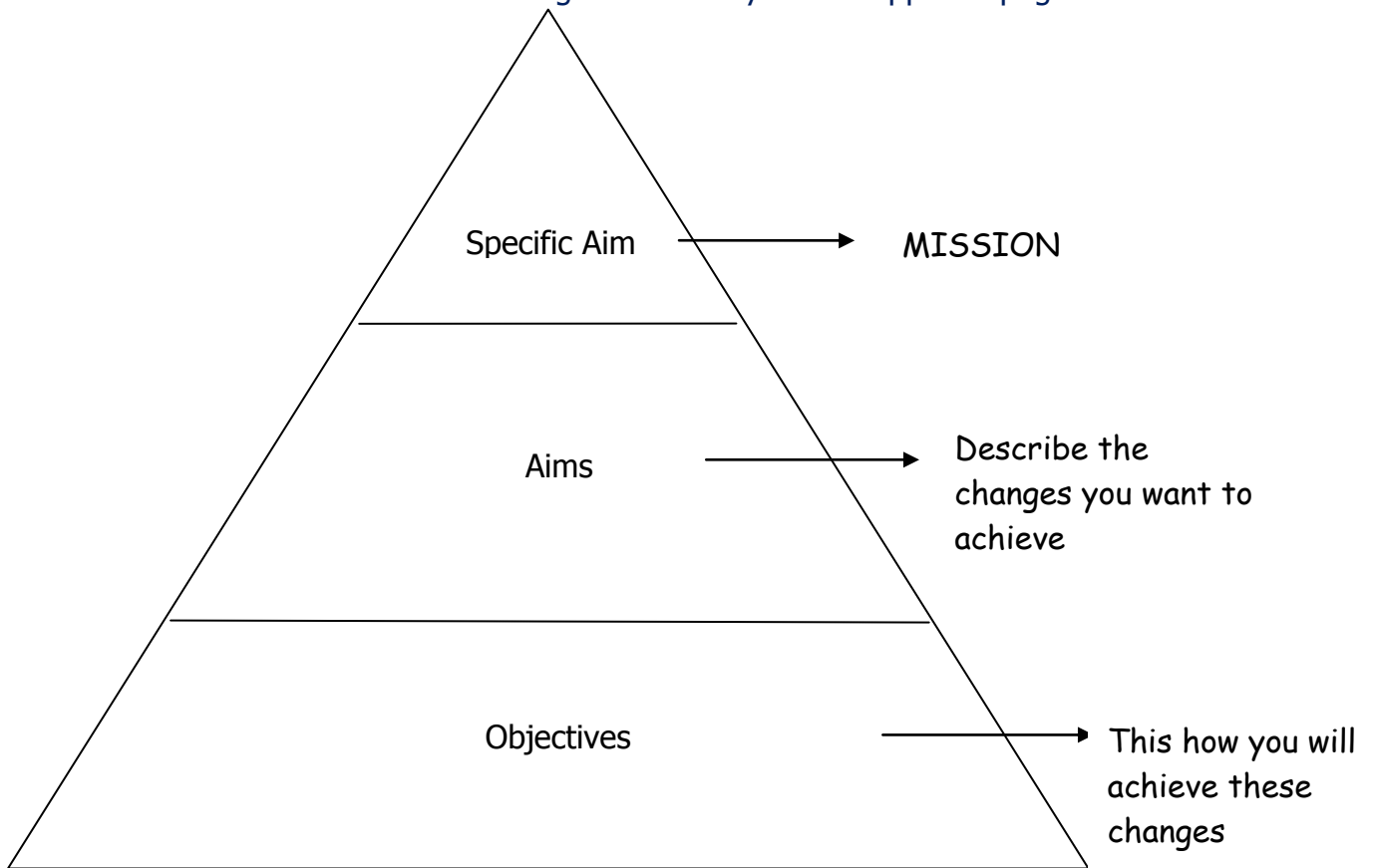
These are a broad description of the planned activities to be delivered.

Consider what difference your organisation wants to make and where you want it to be in 3 to 5 years time. If you are unsure why your organisation was set up then refer to the constitution or governing document – this will state what it originally set out to achieve.



Developing aims and objectives

A useful tool to use here is the Charities Evaluation Services Planning Triangle. There is a set of useful words which describe change and activity on the opposite page.



Q. Why is this useful?

A. By using the CES planning triangle it is easy to ensure that aims and objectives are linked and that they all work towards your specific aim.

AIMS

When setting aims, it is useful to use words that describe change as follows;

- * To enable
- * To improve
- * To reduce
- * To increase
- * To maintain

TOP TIPS

It can be a good idea for aims to be quite broad as this will mean they will be relevant for the lifetime of the business plan

Try and have 1 - 3 objectives for each aim e.g. an organisation who aims to improve the well being of older people could have the following objectives;

- * To provide a weekly luncheon club
- * To run weekly fitness sessions

OBJECTIVES

When setting objectives, it is useful to use words that describe activities;

- * To provide
- * To support
- * To offer
- * To run
- * To setup

Other Words to be aware of

Promote – can be either used as an aim or an objective (if it is about changing attitude it is an aim, however if it is about an activity it is an objective)

Ensure – this is either an aim or objective as it is a promise

Stage 2 - Scan of Operating Environment

Next in the strategic planning process is a scan of the environment in which your organisation works. In this you need to take into account;



- * External Environment
- * Competitive Analysis
- * Internal Environment
- * Customer Analysis

External Environment

This is looking at both present and future factors that will influence the direction of the organisation, and will also include the identification of new opportunities. Examining the external environment is all about gathering, analysing and using information about events, trends, relationships etc in an organisations surroundings – Cultural, Political, Technological, Demographic etc., (PESTEL Analysis). There are plenty of websites which will give you information about statistics which can be useful here. Don't just copy and paste information, but use it in an effective manner which highlights the evidence for a particular service to take place or a group of beneficiaries to be supported.

Useful websites for statistics

www.statsandmaps.co.uk

www.statistics.gov.uk

www.dcsf.gov.uk

www.lsc.gov.uk

www.nwph.net

www.nomisweb.co.uk

www.nwriu.co.uk

Competitive Analysis

Look at other organisations operating in a similar field – whether you're an organisation is a community based on location, need or interest. Not for profit organisations compete for volunteers, funding, beneficiaries and although we do not want to compete in the same way as profit making organisations it is worth understanding who potential key players providing similar services are. It is worth understanding who they are, where they operate, why they operate (charitable objects), how and for whom – as this assists us in deciding whether to compete or collaborate.

Internal Environment

Examine the capacity of your organisation – its capabilities and its limitations. How does it currently respond and how could it respond in the future to new opportunities and developments. In order to do this you will need to look at aspects such as resources, management systems, governance, finances etc. Useful tools for this include a SWOT or SOAR analysis.

Customer Analysis

Ask what your 'customers' think. From service user feedback you will have their comments and opinions on what you deliver and what other services they would like to see. They will tell you what you do well and what issues need to be addressed. For your organisation to grow and succeed you must listen to your beneficiaries. There are a variety of ways you can involve your beneficiaries here;

- * Service evaluations
- * Case studies
- * Consultation
- * Surveys

Take a look at the following ideas which should be in your toolbox of things to use in a scan of your operating environment!

PESTEL Analysis

The PESTEL framework is an analytical tool for managers to identify factors that may affect their organisation and to assess how these factors may influence their organisations performance both now and in the future.



Political

- * Stability of government – both local and national
- * Social policies – e.g. social welfare, education etc.

Economic

- * Disposable income of service users
- * Levels of deprivation
- * Stability/Levels of funding

Social

- * Demographic information
- * Changes in lifestyles and trends
- * Educational levels

Technological

- * Pace of technological advances
- * New innovations/discoveries

Environmental

- * Environmental protection laws
- * Waste disposal laws
- * Energy consumption regulation
- * Popular attitude towards the environment

Legal

- * Employment regulations
- * Health and safety regulations

SWOT Analysis

A conventional approach to problem solving used by managers.

Strengths - characteristics of the organisation or team that give it an advantage over others in the sector.

Weaknesses - are characteristics that place the organisation at a disadvantage relative to others.

Opportunities - chances to make a bigger difference in the area in which you operate.

Threats - factors that could cause trouble for your organisation

SOAR Analysis

This is a relatively new approach to analysing your organisations internal environment. It is an asset based approach, based on the theory that a weakness cannot be trained out, it uses an approach which creates energy and results through focussed inquiry on strengths and successes. As this approach is grounded in the past successes and history people know how to repeat and build on the organisation's success. Although this approach enables the organisation to counter-balance negatives this doesn't mean that aspects which weren't successful should be forgotten



Strengths - what is it that your organisation does particularly well, what sets you out from the crowd

Opportunities - imagine the different ways in which your organisation could make a difference to your target group

Aspirations - what would you like your organisation to do in the future

Results - how will you know that you've achieved what you set out to do. Consider measurable results and how you are going to get there.

Another approach here is the use of 'appreciative inquiry'. This is conducting the review through the organisation reflecting through the use of the four I's.

1. **Inquire** into strengths
2. **Imagine** the opportunities
3. **Innovate** to meet the aspirations
4. **Inspire** to achieve results

At a planning meeting use this approach and ask 'what are our strengths as an organisation' – take a positive approach and build on this to ensure the end strategy is inspiring as you work through the remaining questions.

Stage 3 – Strategy Formulation and implementation

Using information from the environmental scan, match the organisations strengths (what works well) and opportunities (both present and future). Design your organisations systems, structures and programmes to best achieve the aims and objectives you have just reviewed. Identify what results you want to achieve and how they are best measured.

You will need to think about the structure of your organisation. A restructure may be required in order to be more effective and efficient. Organisations by their very nature grow organically and it is good practice to review structures and working practices from time to time to ensure maximum efficiency.

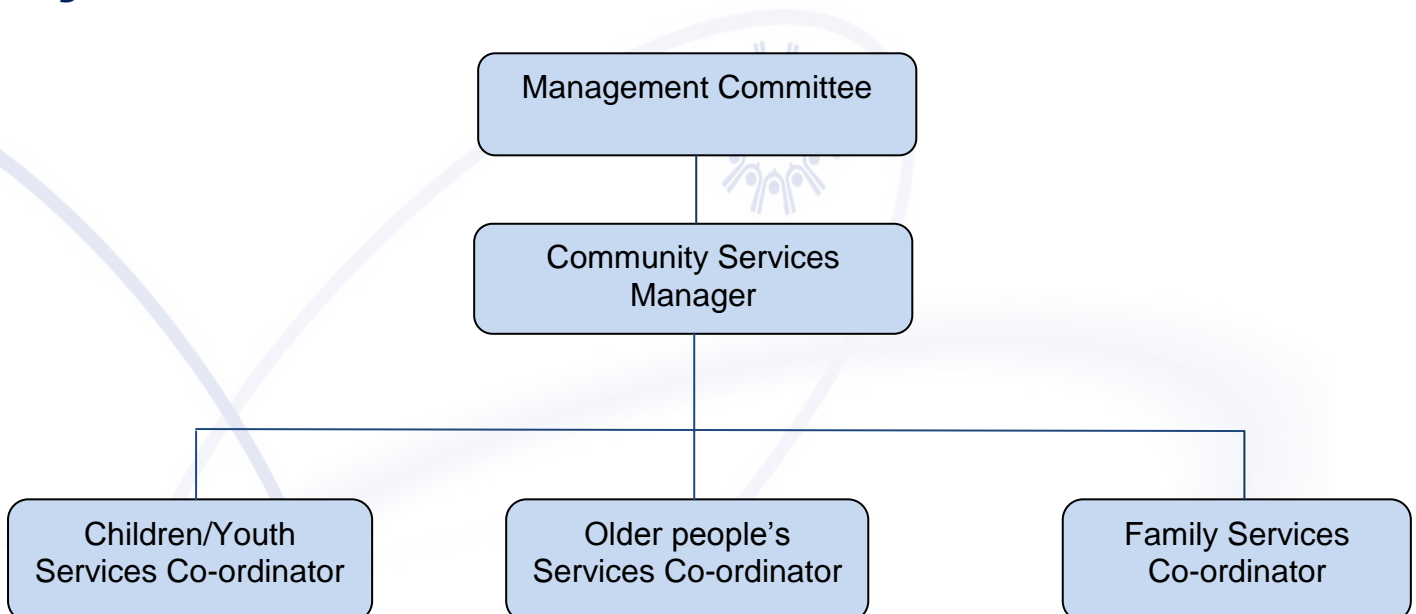
Ensure that the structure of your organisation is fit for purpose. You need strong governance and management together with effective administrative processes and procedures.

There are many different possible structures. Defining an organisational chart will help focus the organisation.

Common types of organisational structure are;

- Functional
- Geographical
- Customer

e.g. Customer structure



CVSR

Governance is about

- Ensuring that the organisations vision, values, aims, objectives and activities remain true to its main purpose or mission
- Ensure compliance with the organisations governing document
- Set or approve policies, procedures, plans and budgets to achieve the organisations aims and objective; and monitor performance against them

There is guidance regarding the governance of your organisation and how to ensure this is effective, remains within legal practices and runs the organisation in a transparent manner from both the Charity Commission, www.charity-commission.gov.uk and the National Council for Voluntary Organisations (NCVO), www.ncv-vol.org.uk The NCVO Code of Governance is a particularly useful tool. A copy of this is available for reference in the CVS Rochdale resource room at Partnership House and further support around governance available from our development officer Tariq Khandoker, Tel: 01706 631291, email; t.khandoker@cvsr.org.uk

Management is about day to day operational decisions and matters:-

- Ensuring that policies, procedures and plans are implemented
- Monitoring Activity, checking performance against indicators of success and providing information the governing body
- Effective utilisation of Resources (physical, human and financial)

It is said that the most common reason that strategic planning ends up as wasted effort is that there is faulty implementation. What can Chief Executives, Members of Governing bodies and managers do to support implementation and guarantee the plan's effectiveness?

Model The Use of The Plan In Decision-Making: When making decisions demonstrate the relevance of the plan, particularly in terms of the vision, values and goals of the plan, by using the plan as a guide.

Help People Understand the Plan: Part of keeping the plan alive and relevant involves executives helping employees understand what the plan actually means on a practical level. By both asking employees/volunteers and sharing ideas, about the meaning of the plan as applied to real every day decisions, employees clarify their own understanding, and also realise that the Chief Executives, Managers and Members of the governing body is serious about implementation.

Encourage Staff to Evaluate: The strategic plan can, and should be used by those in the organisation to evaluate the degree to which the organisation is sticking to the plan, and/or achieving the goals and objectives contained in it. Encourage employees to evaluate whether any specific action of interest is consistent with the values of the organization, or the strategic goals in the plan. This is a very practical evaluative process designed to help keep things on track. Again, the CVS Rochdale resource room has a

multitude of resources available to assist your organisation in monitoring and evaluating your services and their delivery. Contact the office for more details if necessary.

Cascade Down: Apart from what we'd call leadership functions (above), make sure that all the divisions and sub-units, and employees are making use of the strategic plan to formulate their own goals and objectives in the shorter term. Get the strategic plan's goals and objectives to cascade downward, and make sure everyone is 'singing from the same hymn sheet' as it were to ensure a successful strategy.



Stage 4 – Writing Up

Once you have decided what is to be in the plan, writing it is relatively easy. It should be clear, easy to read, in a logical order and it should not be over long. It is not necessary to include all the information and background from your planning process in your plan. An Executive summary is sometimes all that someone will read so it is important that this is short and to the point. Consider your audience(s). What will they want to know?

What Now?

Well, now its down to you. You have a clear process to follow in order to achieve a clear direction for the future of your organisation. If there is anything you require support with in order to complete the planning process such as planning a project, financial support with looking at outgoings and how to ensure you are getting the best value for money, support around getting your governing body to be more engaged and effective or support in restructuring your organisation then get in touch with one of the development officers at CVS Rochdale who can help you achieve your goals on Tel: 01706 631291 or Email: info@cvsr.org.uk

CVS Rochdale also offer a comprehensive range of training on all aspects of running a not-for-profit organisation and can be found on our website www.cvsr.org.uk

The template below is a rough guide of what to include where once you have followed the process laid out in this booklet. If when you have written your plan you would like someone to give you a critique then don't hesitate to get in touch with our Quality Assurance Officer, Elaine Grace on Tel: 01706 510834 or email: e.grace@cvsr.org.uk

[Insert group name]
Business Plan

[Insert logo/picture]

Date

Contact details:

Any person – Secretary
Anytown organisation
1 Non Street
Rochdale

Tel:

Fax:

E-mail:

Website:

Executive summary

[insert text]

The Executive summary is very important; some readers will only look at the executive summary. It should summarise the main points of each section and should be able to make sense on its own without reading the full document. This should be the last thing done in a Business Plan.

Organisational Profile

Give brief information on the background and history of the organisation:

When you started, why you started, and how you started

Strategic Review

- * Vision
- * Mission Statement
- * Aims
- * Objectives

Present Status

This section is a summary of achievements and performance to date. If you have good reviews from services delivered or a good report in the local press, quality assurance standards this is the place to put them.

Products/Services

This section is a summary of the services you offer (general description, key features, benefits/outcomes for users). It also needs to include the outcome of analysis of competitors and an explanation of why your products/services are unique.

Profiles of Market/Beneficiaries

This describes how your organisation will promote its products or services to its potential beneficiaries, what type of take up will be achieved, how you will deal with competitors (compete or collaborate)

Operating Methods

This will describe how you are going to do things and also how you monitor and evaluate.

Governance, Management and Administration

Include things like a structural chart here. Give a profile of your governing body and management staff (skills, experience, knowledge etc.) Administrative arrangements should also be included in this section – finance controls along with policies and procedures.

Financial Projects and Funding Requirements

This is the budget to allow you to plan the cost of the resources and expected income from carrying of the project. Use simple tables to present key financial projections and then summarize funding requirements and possible sources.

Budget

Budget Heading	20012/13	2013/14	2014/5
Income			
Funding Source 1			
Funding Source 2			
Room Hire			
Capital Expenditure			
Example Budget Headers			
E.g. Set up costs (PC's, Desks, Telephone, Fax etc)			
Equipment			
Premises (Lease or Purchased)			
Software Costs			
Total Capital Expenditure			
Revenue Expenditure			

E.g. Staff (& on costs)			
Stationery			
Rent & Rates			
Marketing			
Training			
Events			
IT support costs			
Electricity			
Insurance			
Subscription Costs			
Accountancy Costs			
Total Revenue Expenditure			
Total			

Implementation

Explain the major decision points, time scale and actions required by management and others to progress the plan.

Conclusion

Indicate why the business plan will succeed and why it should be supported.

Appendices

Use appendices to present important background data and detailed plans as this will avoid disrupting the flow of the plan or cluttering it with excessive detail.



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