Parts of A Plan

All organizations' plans contain:

- Vision
- Values
- Purpose
- Strategies
- Long-term Goals

Most organizations' plans also contain:

- Mission
- Goals
- Activities
- Objectives or Outcomes
- Tasks

With one exception, any of these parts of a plan can be implicit (in the mind, soul, and gut) or explicit (in a document). The exception is mission: it is always written.

Vision is always produced by strategic thinking (synthesis). All other parts can be produced by strategic thinking or strategic programming (analysis), although analysis is almost always used to generate activities, objectives, and tasks (endnote 1).

Vision

Vision is what we believe our organization should be and should accomplish. Vision contains values, purpose, a long-term goal, and strategies. Vision has been described as:

- "A possible and desirable future state of the organization… a view of a realistic, creditable, attractive future, a condition that is better in some important ways than what now exists (2)."
- "An integrated perspective of the enterprise, a not-too-precisely articulated vision of direction (3)."

Vision is preserved in stories, symbols, mental images, and documents. Vision is something you *know* and act upon but cannot fully express in words. Because "vision statements" never fully contain an organization's vision, they often do more harm than good.

Values

Values are: "The principles by which an organization lives. They are:
- freely chosen from alternatives after thoughtful consideration of each alternative;
- acted upon repeatedly so as to become a pattern of life;
- found to give direction and meaning to life in such a way that they enhance the growth of the organization; and are
- cherished and affirmed to others (4)."

Values are commonly expressed using a) relatively abstract terms, such as leadership, expertness, prestige, service, wealth, independence, etc.; or b) descriptive terms, such as a inner harmony, justice for all, or a world at peace.

The values that an organization chooses make a real difference in its operations. Consider, for example, the differences between an organization that has chosen expertness, prestige, and independence versus an organization that has chosen service, affection and security.

Examples of organizational values: Nordstrom: "service to the customer above all else"; Disney: "creativity, dreams and imagination...no cynicism"; Sony: "being a pioneer—not following others; doing the impossible" (5).

Purpose

Purpose is "the organization's reason for being. Whereas you might achieve a goal or complete a strategy, you cannot fulfil a purpose; it is like a guiding star on the horizon—forever pursued but never reached (6)."

Examples of purpose:

- 3M: To solve unsolved problems innovatively
- Fannie Mae: To strengthen the social fabric by continually democratizing home ownership
- Church: To make Jesus the head of this church and its chief executive officer.
- Arnold of Rugby: To make gentlemen of savages (7).

Peter Drucker has a particularly interesting view of the purpose of nonprofit organizations:

"Business supplies either goods or services. A business has discharged its tasks when the customer buys the product and is satisfied with it. Government controls. It has discharged its function when its policies are effective. The nonprofit institution neither supplies goods nor controls. Its product is neither a pair of shoes nor an effective regulation. Its product is a *changed human being*."

"The nonprofit institution is not merely delivering a service. It wants the end user to be not a user but a *doer*. It uses a service to bring about change in a human being. In that sense a school…creates habits, vision, commitment, knowledge. It attempts to become part of the recipient rather than merely a supplier. Until this happens, the nonprofit has had no results; it has only had good intentions (8)."

Mission

Mission is the phrase or sentence used to explain an organization's purpose to the public. It is written in everyday language, and should generally state the obvious. For example, the mission of a school district could be: "To educate children"; of a hospital: "To take care of the sick".

Sometimes, the same words are used for purpose and mission. In other instances, the words chosen to express purpose speak to people in the organization, while those used for mission speak to outsiders.

Long-Term Goal

A long-term goal is:

"An envisioned future…what we aspire to become, to achieve, to create. It consists of … a 10-to-30-year audacious goal plus vivid descriptions of what it will be like to achieve the goal. A true long-term goal is clear and compelling, serves as a unifying focal point of effort, and acts as a catalyst for team spirit (9)."

Examples of envisioned futures: "become the Harvard of the west" (Stanford, 1940's); "crush Adidas" (Nike, 1960's); "we will be the first Japanese company to go into the US market and distribute directly…fifty years from now, 'Made in Japan' will mean something fine, not something shoddy" (Sony, early 1950s).

Many nonprofit organizations do not have a long-term goal. Or, if they have one, it amounts to little more than survival. Often, a nonprofit can achieve a sense that it controls its future by developing an ambitious long-term goal.

Some organizations have many "long-term goals". These are not really long-term goals but simply important or long lasting goals (see below). No organization can sustain the effort needed to achieve more than one long-term goal.

Strategies

Strategies are the ways the organization makes its vision real. Strategies must be consistent with the organization's values and purpose, and lead directly (if not immediately) to its long-term goal.

Examples of strategies used by nonprofit organizations to change lives include: advocacy, public information, economic development, leadership development, direct service, litigation, education, lobbying, research and development, planning, etc.. In nonprofit organizations, these strategies are typically called "services".

Unlike purpose or long-term goals, strategies can change relatively frequently. Nevertheless, changing a strategy is a major event in the life of an organization, because strategies exist at the organizational level, and therefore impact every aspect of an organization.

Peter Drucker recommends that profit-making organizations have strategies for market standing, innovation, productivity, physical and financial resources, profitability, manager performance and development, worker performance and development, and public responsibility (10). The chart on page 5 gives examples of what comparable strategies might be in nonprofit organizations.

Goals

A goal is an event or condition that the organization intends to produce. It is a marker signaling that a strategy is producing the desired result, or a sign that progress is being made towards the achievement of the organization's long-term goal.

A written goal is most informative when it consists of a) a statement of general intention and b) a standard or method. For example:

- To represent 200 families facing eviction each year (intention) when eviction is likely to cause physical or emotional injury to members of the family (standard).

- To eliminate a major impediment to low income housing (intention) by a) repealing the ordinance that requires a 2/3rds vote by the city council to approve low-income housing and b) amending the zoning ordinance to eliminate barriers to low income housing in established residential areas (methods).

- To raise $200,000 in operating funds (intention) by conducting a fund-raising campaign in large law firms (method).

Strategies in Nonprofit Organizations

Market standing	Strategies to ensure the organization's survival, by:
	➢ *Finding a niche*:
	   • providing a unique service; or
	   • serving a group no one else serves; and/or
	   • participating in a unique system of services with other organizations.
	➢ *Being the best*: providing a service better than any similar organization or system.

Innovation	Strategies to keep the organization flexible and responsive, by:
	➢ *Challenging mental models*: Regular and tough-minded re-examination of the organization's answers to four questions:
	   • Whom do we serve?
	   • Who are we?
	   • What do we do for and with the people we serve?
	   • How does our work change the lives of the people we serve?
	➢ *Welcoming the new*: The organization rewards efforts to:
	   • serve new groups,
	   • address new issues,
	   • deliver different services or the same services in new ways, and
	   • use technology to better serve people.

Productivity	Strategies to ensure that services are first, effective (produce the desired change in people's lives) and then, efficient (make best use of resources).

Financial and physical resources	Strategies to ensure that the organization:
	➢ Is big enough to be able to change a significant number of lives.
	➢ Has sufficient income to cover the cost of services and overhead, and to generate a small annual surplus.
	➢ Maintains an on-going, effective fund-raising effort to:
	   • generate income to cover costs, and
	   • create an endowment.
	➢ Delivers services in appropriate locations.

Employee performance and development	Strategies that require managers and staff to: ➢ Prepare work plans, collect accurate information about their work, compare work performed against plans, and participate in the evaluation of their work. ➢ Treat the people served with respect ➢ Support their colleagues. ➢ Develop their skills and take on more challenging assignments.
Public responsibility	Strategies to ensure that the organization: ➢ Addresses important issues, serves as many people as possible, helps people to help themselves, and makes a significant difference in the lives of the people it serves. ➢ Properly administers money and property; compiles with laws, regulations and grant or contract provisions; treats employees fairly and in accordance with the law; and spends the money it has been given by the public.

Activities

Activities are the methods that will be used to achieve a goal. Activities are used when the organization's strategies do not provide sufficient guidance to enable staff to figure out how a goal can be achieved. Activities must be sub-parts of one of the organization's strategies. If a required activity does not fit under one of the organization's strategies, then a new organizational strategy must be put in place.

Objectives or Outcomes

Objectives are events or conditions that must occur if a goal is to be achieved. Ideally, objectives are measurable. At a minimum, they must be verifiable—that is, although nothing measurable is included in the objective, a skilled observer must be able to determine if the event or condition described in the objective does, or does not, exist.

In the last few years, objectives have generally been called "outcomes".

An example of an objective:

"To obtain, in the next year, court decisions winning parental rights for 70% of 260 program clients".

(This is an objective. Technically, the outcome would be "parental rights won for 70% of 260 program clients").

Tasks

Tasks are highly detailed methods. Tasks are used when the organization's activities do not provide sufficient guidance to enable staff to figure out how an objective can be achieved. Tasks are typically used when an organization undertakes an unusually complex project.

Summary

Vision:
Values, Purpose, Long-Term Goals, Strategies
Stories, Symbols, Mental Images, Documents
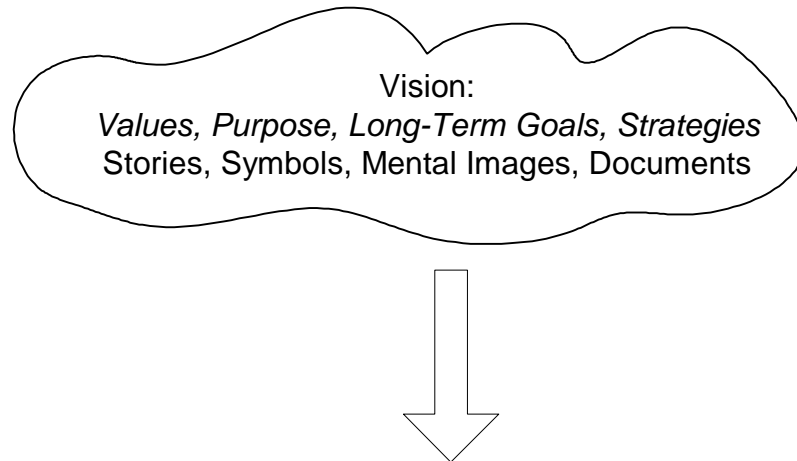
Purpose (When restated for use outside organization, purpose becomes mission)		
	What (Results)	*How (Methods)*
General	Long-Term Goal	Strategies
Specific	Goals	Activities
Very Specific	Objectives	Tasks

Vision cannot be fully recorded, and is best left implicit (although it must be revealed and discussed often). The parts of the plan shown in the table may be implicit or written, although mission is always written.

Vision is always produced by strategic thinking (synthesis). All other parts can be produced by strategic thinking or strategic programming (analysis), although analysis is usually used to generate activities, outcomes, and tasks.

Notes

(1) For a more complete explanation of these concepts, see "An Introduction to Planning", Algodones Associates, December, 1998.

(2) Warren Bennis and Burt Nanus, *Leaders: The Strategies for Taking Charge*, Harper & Row, 1985, p. 89.

(3) Mintzberg, Op. Cit., p. 108.

(4) Maury Smith, *A Practical Guide to Value Clarification*, University Associates, 1977, p. 7.

(5) Examples are from James C. Collins and Jerry I. Porras, "Building Your Company's Vision", *Harvard Business Review*, September-October, 1996, p. 69.

(6) Ibid., p. 69.

(7) The first two examples are from Collins and Porras, Op. Cit., p. 69. The last two are from Peter F. Drucker, *Managing the Nonprofit Organization*, HarperCollins, 1990, p. 4.

(8) Ibid., p. 53 ff.

(9) Collins and Porras, Op. Cit., p 73 ff. The examples in the next paragraph are from the same article.

(10) Peter F. Drucker, *Management: Tasks, Responsibilities, Practices*, Harper and Row, 1973, p. 103 ff.