

Integrating financial considerations into strategic planning - early & often

September 2024

Introductions

Let us know your first name and your answers to the following:

I love my job because

-----.

Something you might not know about me is that I

-----.

Org Bio

Strategy Matters by the Numbers

24 years in business

\$1M in sales annually

~40-50 clients / year



4 full time employees

12-18 active projects at a time

75-80% return and referral rate

What is strategic planning?

A process used to gather
disparate information and
insights

& then

Use them to set future
direction

- Can be done in a day or a year
- Can account for financial realities or ignore them
- Can include or exclude capital planning
- Can analyze risk mitigation through organizational health, high performance, and predicting what is likely to happen

Beliefs guiding our work

- ❖ Most people are smart, motivated, and want to do the right thing.
- ❖ There are countless barriers organizations face that prevent them from acting smart, staying motivated, and driving resources towards the right things.
- ❖ Diverse groups make better decisions.
- ❖ Diversity includes role, learning/working style, perspective.
- ❖ There are always more than two options, #FTB.
- ❖ The people most affected by a question or problem are most likely to have the essential insight into how to address it and are best positioned to make implementation succeed or fail.

Our five step model- and how the Finance Manager fits



1

Convene a committee, make a plan - add Finance perspectives

2

Develop agreement around the status quo and what the future might look like - including financial projections.

3

Develop consensus around goals for the future. Do this before deciding how to pay for it.

4

Evaluate strategy options; select one - managing for sustainability is central to this choice.

5

Create conditions for successful implementation -with financial metrics.

Strategic Planning Terms

Values

- | | |
|---------------------|---|
| What are they? | <ul style="list-style-type: none">● A statement of what is most important to us. |
| What is their role? | <ul style="list-style-type: none">● They allow us to see the boundaries for our work. |

Vision

- | | |
|-------------------|--|
| What is it? | <ul style="list-style-type: none">● The more perfect world we hope to create. In particular, a world where our values are more deeply and widely embraced. |
| What is its role? | <ul style="list-style-type: none">● It helps to identify allies, and non-allies. We want to work with organizations that share our vision. |

Mission

- | | |
|-------------------|---|
| What is it? | <ul style="list-style-type: none">● The role that we play in building the more perfect world we describe in our vision. |
| What is its role? | <ul style="list-style-type: none">● It defines and clarifies our role in creating the world we want. |

Unique Value Proposition

- | | |
|-------------------|---|
| What is it? | <ul style="list-style-type: none">● A statement that explains what makes you uniquely suited to carry out your mission. |
| What is its role? | <ul style="list-style-type: none">● It is an answer for prospective clients, customers, or funders to the question, "why us, rather than one of our competitors?" |

Strategic Planning Terms (*continued*)

Wildly Important Goals

What are they?	<ul style="list-style-type: none">• The high-level things we want to accomplish, internally and externally.
What is their role?	<ul style="list-style-type: none">• It focuses resources and enables team members to make decisions in alignment with each other and with organizational commitments. It clarifies and helps to resolve resource conflicts.

Strategy

What is it?	<ul style="list-style-type: none">• The way we approach our work to achieve our mission.
What is its role?	<ul style="list-style-type: none">• It helps us decide between multiple pathways to the same endpoint and helps to keep everyone aligned on that pathway.

Dashboard and Scoreboard

What is it?	<ul style="list-style-type: none">• Mid-sized, concrete accomplishments that keep us on track to accomplishing our goals.
What is its role?	<ul style="list-style-type: none">• They offer <i>leading</i> and <i>lagging</i> indicators to help team members be clear on what must be done to be successful, to keep track of whether or not they're doing that, and to make course corrections.

Activities

What is it?	<ul style="list-style-type: none">• What staff, board, and volunteers do on a day to day basis that keeps the organization on track to complete objectives and goals.
What is its role?	<ul style="list-style-type: none">• To build work plans and to clarify everyone's roles in complex projects and execution of strategies.

Q1
Where
are we
now?

The SWOT Analysis

- Stakeholder engagement
 - + PESTLE research
 - + Desk review
-

the SWOT analysis

**Example
SWOT:
best to
measure
against M_{VV}**

S: Market share, low turnover

W: History and presence of unethical practices

O: Growing public demands for ethical practices

T: Growing distrust of company

Q2

Where do we want to go?

The Goals

Working from agreement on the status quo, ask what we need to accomplish in the coming (timeframe) to meet our mission.

The mission is the 'wildly important' goal. The values are the boundaries for the work and the processes we use. The goals are the things we move toward.

Example WIG + Goals

WIG is mission:

To keep people well at every age and every stage of life.

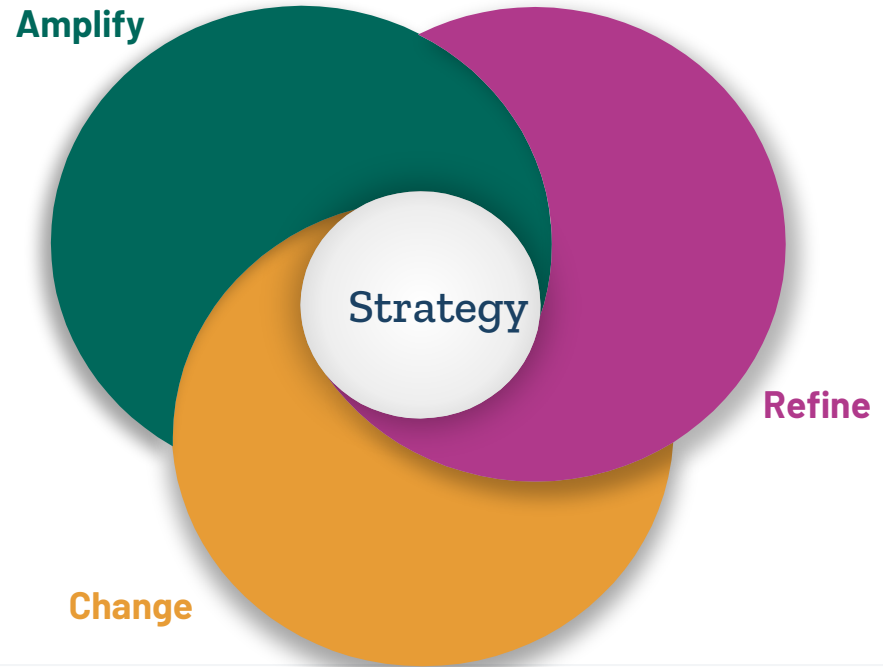
Goals:

- 1) Improve access and affordability,
 - 2) Create healthier communities,
 - 3) Put a healthy mind, body and environment within reach of everyone, everywhere.
-

Q3

How will
we get
there?

The Strategy



ARC Strategy Generation

AMPLIFY:

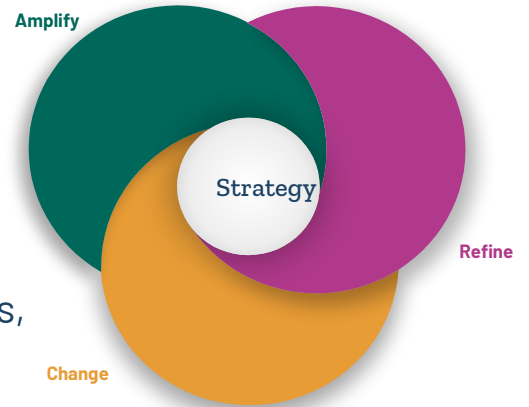
Do more of what we do now, in new places, with new partners, for more money, with higher quality, etc.

REFINE:

Do less of what we do now, tailoring to better move into the blue ocean or be more competitive in the red ocean.

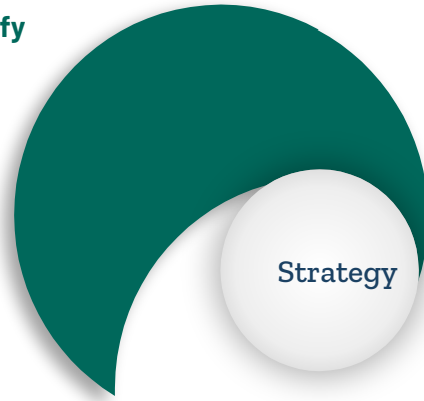
CHANGE:

Revisit the assumptions behind our current work or be smacked upside the head by the changes in our world. Use our core assets and secret sauce in a new way to achieve our goals.



Amplify Strategy Example

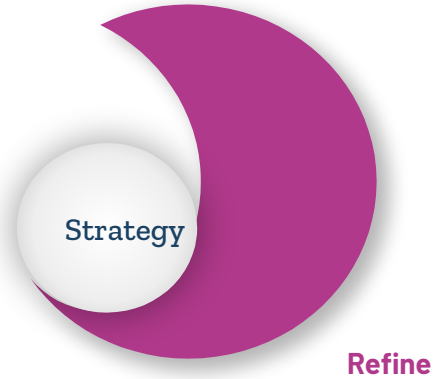
Amplify



AAUW has always offered professional development programs for women.

After strategic planning revealed that a major barrier for women advancing is their lack of negotiating skill, AAUW invested in the development of a new program to teach women how to negotiate.

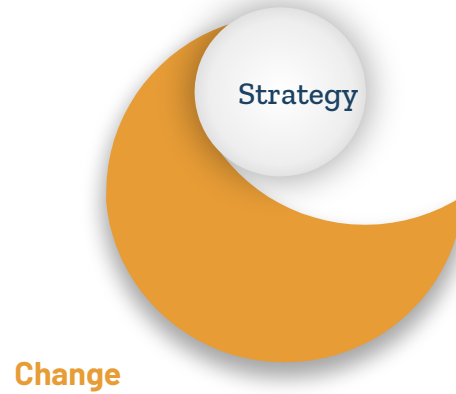
Refine Strategy Example



An engineering firm has clients in many sectors, and projects of many sizes. After a strategic planning process lifted up “maintain our great company culture,” and “increase profitability,” as the Wildly Important Goals, we did an analysis of past projects to see which projects advanced both goals.

Identification of four features of projects that met both goals, we created a project go/no-go tool to use in determining which projects to bid on/accept, enabling the firm to take on only those projects which advanced both of their goals.

Change Strategy Example



One organization dedicated to revitalizing cities after the neglect and disinvestment of the 1970s-80s had a strategy to attract new businesses to urban centers to “lift all boats.” However, today, their cities are clean, safe, centers of investment by wealthy residents and businesses. Their strategy to lure investment into the cities worked.

Today, the strategy has to change, because their bigger goal is to catalyze healthy, vibrant and thriving cities with opportunity for all. Now the barrier to that is the lack of affordable housing and strong transit systems, not the presence of business investment.

Prepare for Implementation Success

- Get rid of some of what is on your plate right now, by using your decision making framework (DMF). Sharpen those pencils and remove things from the to-do list.
- Do a staffing and/or resource audit for what remains. Determine what you will need to accomplish your goals and rearrange resources to match that new plan.
- Continue to use a [DMF](#) for every day decisions.
- Make a dash/scoreboard for regular check ins.

Dash & Score - example

Dashboard

Metric

Actual [Target]

Client Wows

"We loved the retreat! Thank you so much!"

Unhappy Clients

2% [0]

On Time/On Budget

89% [100%]

Scoreboard

Metric

Actual [Target]

% Return and Referrals

89% [100%]

Invoices sent last month

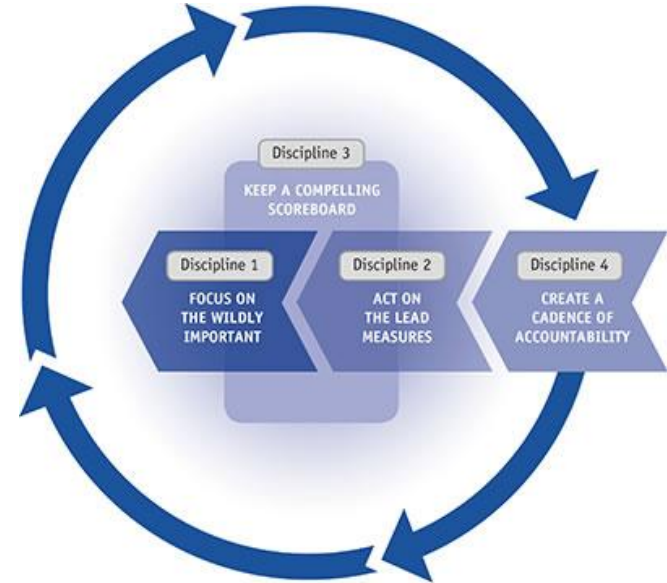
+24% [Monthly operational costs + 20%]

\$ in profit sharing account

+15% [Annual costs + 20%]

4DX

- 1. Focus on the wildly important**
1 or 2 wildly important goals
Give them your focus and energy
- 2. Act on lead measures**
Type of activity that is
a) proven to positively correlate with progress
b) highlights need for course corrections
- 3. Keep a compelling scoreboard**
3-5 important and intuitively compelling metrics of success
Track them somewhere highly visible to the whole team
- 4. Create a cadence of accountability**
Commit to periodic check-ins to gauge progress on wildly important goals, lead, and lag measures



THE 4 DISCIPLINES OF EXECUTION PROCESS

strategy matters

HELPING THOSE WHO DO GREAT WORK
DO IT BETTER