Planning for Success
A Guide to Strategic Planning for Charities
What is strategic planning and why is it so important?

A strategic plan is a roadmap which sets out a charity’s activities, aims and objectives and also how it intends to achieve these over a defined period, typically between three and five years. The plan is a written statement of intent which should be aligned with your charity’s vision, defining the purpose and direction of travel.

All activities undertaken by a charity must help (or be intended to help) the achievement of the charitable objects established in the governing document. Strategic planning provides the link between the objects and activities implemented ‘on the ground’. It is the starting point for a charity to have the greatest impact possible making the most of the resources available.

A strategic plan also provides a benchmark against which stakeholders can measure the performance of the charity. This contributes to a culture of openness and transparency, which is important for building public trust. This is particularly important for fundraising charities, as illustrated in the recent ‘Trust in Charities’ report (July 2018) which concluded that trust matters to donation behaviour.

Getting the strategy wrong is likely to result in wasted resources, diminish the charity’s impact, and could even threaten the charity’s viability. The current climate of economic and political uncertainty means that it is particularly important that charities have a clear strategy. Those that do will be more robust and able to cope with change. If your charity has not reviewed its strategy recently, now could be the time to do so.

Developing a strategy is just the start. It must be communicated effectively, and everyone involved in its implementation must be bought into its achievement. Unless everyone is pulling in the same direction, and is clear on their role, then the strategy is likely to fail.

The following guidance will assist in understanding the characteristics of a ‘good’ strategy, how to go about undertaking strategic planning, and how to ensure that the strategy is implemented in practice.
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What does a ‘good’ strategy look like?

There is no ‘one size fits all’ model for a perfect strategic plan, however there are a number of shared characteristics of what ‘good’ looks like. A charity’s strategic plan should:

- **Link back directly to the charity’s objects.** If the strategy does not do so, there is a risk that the activities undertaken by the charity will not contribute to the purposes for which it is established.
- **Set out the specific activities that the charity will undertake in order to try and achieve the stated purposes.** The strategy should set out what the charity would like to achieve – and how it will do so.
- **Be ‘outcomes driven’ –** stating the key priorities for the charity over the period covered. It should provide targets or measures through which the achievement of the strategy can be assessed. These targets and measures should be SMART (Specific, Measurable, Attainable, Realistic, Timely).
- **Be clear, concise, and easy to understand.** It should avoid obscure language, acronyms or be unduly complex – and use diagrams or other graphics as appropriate. All stakeholders should be able to read and understand the document. A good test is whether you can explain the strategy in under 30 seconds! If it takes longer than that, it could be too complex.

- **Be ambitious and inspiring – but achievable.** This balance is important otherwise it can lead to demotivated staff or wasted resources if the strategy is too challenging, or the charity not achieving the level of impact that it is really capable of if it is not stretching enough.
- **Not prioritise short-term gains over the long-term sustainability of the charity.** The charity must be sustainable if it is to continue to provide a public benefit, and short-term achievements must not take precedence over this.
- **Have flexibility built in to accommodate changing circumstances during the timeframe covered (as they almost certainly will).** The strategy may state potential actions (or a range of potential actions) if certain external events take place. This can be informed by scenario planning (see below).

How to go about setting an effective strategy?

The process that is followed when creating a strategic plan will directly affect its quality, and the likelihood of it being implemented in practice. There are a number of factors to consider:

- **Strategic planning must involve as many stakeholders as possible and encourage the generation and capturing of ideas.** Consultations, away days, and events can help to ensure as many voices as possible contribute to the process. Great ideas can come from anywhere. Simple, open questions such as “What changes do we want to see in the world?” or “Who do we want to benefit, and how?” can help to ensure that new ideas are generated which are outcomes-focused.
- **If individuals feel they have been involved they will be more likely to buy into the strategy and commit to its achievement.** This is particularly important for employees, who will be responsible for taking the strategy forward in practice. Consideration should be given as to how beneficiaries can feed into the process – and feel that their feedback was really listened to and considered. The involvement of employees or beneficiaries should not be tokenistic, or it will have the opposite effect and lead to discontent.
- **An effective internal assessment must be performed.** The history of the charity, areas of operation, reputation, people and financial and other resources available will all have an impact on the strategic direction and what is achievable. A ‘SWOT’ analysis (Strengths, Weaknesses, Opportunities and Threats) can be a useful tool here. It is important that internal factors do not drive the strategy, but their consideration is an important part of the process.
- **The external environment in which the charity operates will also affect the strategic plan.** A ‘PESTLE’ analysis (Political, Economic, Social, Technological, Legal and Environmental) can be a useful method to ensure that all relevant factors are considered. This should also include consideration of other organisations with similar aims or areas of operation – both viewing them as competitors or perhaps as potential partners (in whatever form this might take).
- **Trustees should consider and document their level of risk appetite.** Scenario planning can be a useful tool to model the impact of potential changes in the external environment and feed into this risk assessment. If the trustees have a low appetite for risk e.g. due to an uncertain economic environment, then the strategy may be more focussed on financial sustainability than with expansion and growth.
- **The timing of the strategic planning process is also important.** If a charity is facing an immediate threat to its survival, now might not be the time to engage in ‘blue sky thinking.’ There should also be sufficient time allocated depending on the size and complexity of the charity. The process should not be rushed, but at the same time it should not drag on without a decision being made. Charities may elect to use external consultants to manage the process.
Putting the plan into action

Writing the strategic plan is just the start – it then has to be put into action. It is vital that everyone involved in the implementation of the strategy understands it, is bought into it, and that their actions are aligned with the aims and objectives within the strategy plan. Embedding the strategy across the charity will increase the likelihood of it being a success, and there are a number of ways to work towards achieving this.

Communication

- A clear plan for communication of the strategy to stakeholders must be established, covering both content and medium. This will allow the charity to get everyone ‘on board’ – which is vital for ensuring that the actions of individuals are aligned with the strategy. Stakeholder mapping can be useful to determine which groups or individuals require most attention.

- Communication should include detail of why certain decisions were made in the design of the strategy – particularly if any areas of the strategy could be viewed as controversial by stakeholders. This will help people to understand the rationale and demonstrates openness and honesty.

- A summary document or even just a simple statement can be a key way to communicate the strategy. This should distil down the full strategy document into a more easily digestible format – but must accurately explain what the charity is hoping to achieve, and how, it is effectively the ‘elevator pitch’ for the strategy.

- More stakeholders are likely to visit the website than read the full strategy document. It is important that the website provides a clear indication of the strategy ideally on the home page; if the strategy is divided into operational areas or aims, the website should present these in the same way. For example, if a conservation charity defines its areas of strategic focus as ‘Nature Reserves’, ‘Education’ and ‘Anti-Poaching’ then this structure should be mirrored on the website. Consistency of message is important for clear communication and understanding.

Involve

- To ensure that the actions undertaken within teams or areas align with the strategy, SMART objectives or targets should be set which clearly link back to the strategy plan. For example, if one of the strategic aims is to increase retail income to support the charitable work, appropriate sales targets should be set for the retail outlets. There should be a focus on actions needed within the first 6 months of approval of the strategy, to maintain momentum built during the planning process.

- The staff appraisal process should be used to drive the achievement of the strategy. Objectives should be set which align with the aims and objectives of the team or area in which the individual works. As a result, the activities and behaviours of individuals and teams will align with the overall strategy - and these will become embedded throughout the charity.

- Effective monitoring and reporting is essential to determine whether the strategy is having the impact intended, and to making informed decisions. Consideration should be given to what will be reported, how often, to whom, and how the accuracy of the data can be assured. This should occur at the planning stage and not be ‘bolted on’ afterwards. Effective monitoring will allow the charity to identify in a timely manner what is working well (and do more of it) and what isn’t (and do less of it or stop entirely). ‘Key performance indicators’ can be a useful tool if well-designed.

- The culture within the charity must be conducive to the achievement of the strategy. Individuals should feel empowered to speak out, suggest new ideas and challenge convention within a supportive environment. This is important both on the board and within the management and staff. There must be effective relationships throughout the charity – at board level, between the Chair and the Chief Executive, and between the board and the wider management team.

- The activities being undertaken by the charity and the services offered should be reviewed by the board on a periodic basis, at least annually. As part of this the board should refer back to both the strategic plan and the charity’s objects. Do all of the activities align with those objects or contribute to their achievement? This is an important control to avoid ‘mission drift’.

Conclusion

Strategic planning is vital to every organisation. If done well, strategic planning helps to ensure that all of the charity’s activities contribute to its purposes, that the charity is having the greatest impact possible, and that the charity is financially sustainable.

A strategic plan provides a statement of intent which should set the direction of the organisation, inspire individuals to contribute to its achievement, and a means by which the performance of the charity can be measured. It is at the heart of driving a charity to make a real difference in the world, and what could be more important than that?
How we can help

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