



Not-for-profit Organisations' Approach to Strategy and Strategic Planning

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Introduction and context

Strategy, like most things in life, is an emerging and ever-changing discipline. Practices, trends and perceived 'best practice' are organic; they change and develop over time. Over the last 40 years, there has been a shift from 'corporate planning' to 'corporate strategy'. In the 1970's, the trend was for 'long-term planning', in which organisations set out detailed, 5-10 year plans. In the 1980's, theories around strategy were developed by leading thinkers such as Michael Porter and Tom Peters; the concept of 'strategic' planning became prevalent. During the 1990's and 2000's, with the onset of a truly global community and economy, linked by rapid transport and communication networks, and fast moving technology, planning horizons have reduced. The trend now is for shorter-term (3-5 years) strategies, which are presented in shorter, sharper and more focused documents; these modern strategies provide less detail and more of a sense of direction for their organisations.

This research project was conducted by Blue Edge. The aim of the project was to identify the latest trends and best practice in strategic planning in not-for-profit organisations. The methodology was to identify a small pool (less than 50) of leading not-for-profit organisations, including a range of charities, public sector organisations, universities and students' unions. The next stage was to attempt to identify each organisation's current strategic plan through an online search. Those organisations whose plans we were able to locate went on to stage two of the research exercise, in which a range of aspects of the plans was analysed, both quantitatively and qualitatively. 70 organisations in total were selected for initial inclusion in this research exercise. The list at the end of this document details the 45 organisations we located the strategic plans for.

This research exercise is intended to back-up theory and generally accepted wisdom around strategy and strategic planning. The research offers a snap-shot into a small section of the not-for-profit sector; generalisations and observations are made intentionally and the research does not purport to be 'scientific'. However, we have endeavoured to follow best practice in research where possible, always striving to be factual, impartial and balanced in the presentation of our findings.

Throughout this document, we use the term 'strategy' to cover long-term organisational plans, strategic plans and strategies covering more than 3 years, which intend to provide direction and major objectives for an organisation.

First stage research

Our research focussed on looking for the strategic plans of each organisation on its web-site or generally on the web. We were able to find 45 organisations' strategies or strategic plans, but could not easily locate the strategy for the other 25 organisations. As all of the organisations included in our initial list are charities, charitable organisations or public sector organisations, and are thus accountable to and reliant upon UK society, this was both surprising and concerning. This led us to our first observation about strategies.

Observation 1 – we could not easily locate a strategy for 36% of the organisations in our research. An organisation’s strategy is part of its public relations and a key communication tool with its stakeholders. Thus, the strategy needs to be easily accessible, ideally on the organisation’s website.

Second stage research

Once located, our second stage research focussed on several key areas of the strategic documents:

1. Length of the plans
2. Vision and mission
3. Values
4. Use of themes, strands or similar
5. Number of major objectives included
6. Structure of plan
7. Planning horizon
8. Design and use of imagery

Length of the plans

The shortest plan in our sample was 2 pages, whilst the longest was 41 pages. Only 2/9’s of the plans were between 20 and 29 pages long and 33% of the plans were between 10 and 19 pages in length. As a general observation, the longer strategic plans were more operational and the core strategy in each was less obvious. Clearly, organisations will need to include sufficient content to inform the reader, offer context to the strategy, and articulate their plan. This needs to be carefully balanced with the need to ensure that the document is accessible to the organisation’s stakeholders and remains strategic.

Observation 2 – Over 62% of the plans were under 20 pages long. The length of an organisation’s strategy will depend upon its particular style and circumstances. However, we believe that the ideal length of a strategy is between 12 and 18 pages; strategies of this length tend to be more focused, more strategic and more accessible.

Vision and mission

Vision and mission featured in the majority of plans with 73% of our sample including a vision and 47% a mission. The varying style and length of visions and missions was interesting; while there were no hard and fast rules, the majority of organisations tended to have a longer vision, with some featuring over 200 words (the longest over 600) and a shorter mission, most fewer than 30 words. However, some organisations described what they did as part of their mission, making them longer.

Observation 3 – the majority of strategic plans still contain a vision and nearly half contain a mission. We believe these still have an important role in an organisation’s strategic plan, offering a snapshot of the organisation’s purpose, direction and beliefs. Our assessment of the best strategies, and their vision and mission, is that they need to strike a delicate balance between brevity and meaningfulness. Examples of effective mission and vision statements included the National Trust’s mission of ‘For ever, for everyone’ and British Red Cross’ vision of ‘A world where everyone gets the help they need in a crisis.’

Values

Over half of the strategies we looked at included values statements. The number of values in each statement ranged between 3 and 7, with the average number of values being 4. This consistency of approach reinforces our view that a values statement needs to have at least 3 values for it to be meaningful and that if the statement includes more than 6 or 7 values, it probably lacks focus and will be hard to deliver. Many of the values statements have moved away from a simple list of adjectives and towards more explanatory statements, such as Manchester Students’ Union who include ‘Diverse & Equal: We ensure accessibility, challenge inequality and champion liberation.’

Observation 4 – 53% of the strategies had values; the average number of values was 4. The most effective values statements were those that were clearly aligned with the vision and mission (if included) and wider strategy. We found the values statements that seemed more credible and powerful, were those that included more detailed explanation of what each value specifically meant to that organisation.

The values for the organisations in this study were vast and wide-ranging, meaning that even the most commonly cited value 'Inclusive' only appeared in five plans. Inclusive was closely followed by 'fun' and 'supportive' which were both found in 4 plans. All of the values included in 2 plans or more are displayed below, sized according to frequency of use. Further to this list, there were 52 values that appeared once.



NfpSynergy conducted research into 80 charities and their mission, vision, values and straplines in 2006. They researched which words came up most frequently in the charities' statements about their vision, mission and values. The results are shown in the table below. Whilst this research was broader than our look at just values, it is interesting to see the shift in importance of equality and diversity in the last 5 years. We believe that this reflects a shift in society's attitude towards equality, diversity and inclusiveness, which has filtered through into charities' values statements.

Most commonly used words in charity vision, mission and values statements

Support	126	Expertise	11
Respect	50	Responsibility	11
Partnership/Collaboration	48	Independent	10
Local	43	Honesty	9
Equal / inequalities	36	Integrity	9
Christian	35	Responsive	9
Trust	32	Accountable	8
Effective	30	Largest	8
Potential	28	Passion	7
Future	27	Champion	6
Dignity	22	Grow/Growth	6
Diversity	19	Inclusion	6
Innovative/innovation	19	Imagine / imaginative	5
Justice	16	Steward	5
Empower	12	Determination	3
Healthy	12	Enrich	3

Use of themes, strands or similar

Almost all of the strategic plans were broken down into between three and ten areas. Over a third of the organisations called these their 'Themes' with others entitling them their goals, areas, strands, strategic directions, priorities, aims, focus areas or big ideas. The average number of 'themes' was five, although some organisations had as few as three and others nine. The themes obviously relate to each organisation's own vision, mission and values; however, there were several areas which featured in many of the documents, such as 'engagement with local communities', 'partnership working' and 'strengthening networks', and 'creating sustainable and healthy organisations'.

Observation 5 – 96% of the plans in our research were divided into 'themes'. This helps structure the plan and assists the reader to understand the top-line strategy. From our research, we believe the model number of 'themes' to be between four and eight. We also found that the best strategies maintain a balance of inward and outward focused themes.

Number of major objectives included

Once again, these varied from between 1 and 19 objectives per theme, but were most commonly between 3 and 5 objectives per theme. What was interesting was the number of organisations that have moved to explaining why they have decided upon a particular goal, what they will then do to achieve that goal and then what success would look like. Whilst the majority of organisations had a varying number of objectives per theme, some have chosen to go for the same number of objectives for each theme which seemed to mean the objectives were very focused and it was clear what to expect from reading the plan.

Observation 6 – the number of objectives under each theme seemed to reflect the difference between the more operational plans and the strategic plans. Those with over 10 objectives per theme were generally more operational; in contrast, those with less than 10 objectives under each theme were more strategically focussed. We felt that the ideal number of objectives was between 3 and 7.

Planning horizon

The planning horizon of the strategies in our research (i.e. the length of time covered by the strategies) ranged from 1 year to 15 years. The planning horizon of most of the strategies was 3, 4, 5 or 10 years, with 91% of the plans having a planning horizon of 5 or less years. The average length of the plans was 3 years, whilst the most common length was 5 years (occurring 17 times out of the 45).

What was apparent from the research was that the length of an organisation's plan was generally linked to the mission, vision and circumstances of the organisation. Thus, it comes as no surprise that, the strategy of The National Trust lasts for 10 years, as this organisation's mission is the care and preservation of Britain's buildings, landscapes and coastlines. On the other hand, most of the students' unions' strategies in our research were for 3 years, reflecting the fact that they work in a rapidly-changing environment, in which their key beneficiaries' (students) needs, issues and opinions are constantly shifting and evolving.

As a generalisation, the plans that we looked at tended to have a shorter horizon than plans of 10 or 20 years ago. We cannot back this up with research, but half of the plans in our research were for 4 years or less and our perception is that the trend in the 1990's was for 5 year plans or longer. We believe this reflects the fact that the world organisations operate in now is fast moving, global and rapidly changing and thus committing to a strategy for more than 3 or 4 years is challenging and risky for the majority of not-for-profit organisations.

Observation 7 – Half of the charities in our research had strategies that were of 4 years or less. The planning horizon or organisations has to vary with the context of the strategy and the particular mission, vision, values and circumstances of the organisation. However, with the rapidly changing world that we live in, developing and committing to a strategy of more than 4 years will be both difficult and risky for most not-for-profit organisations.

Design and use of imagery

Observation 8 – The more accessible and easily absorbed strategic plans were those that utilised images and graphs to represent what would normally have been large amounts of text. Below are just a few examples of the ways in which organisations represented their plans.

**SAVING
LIVES
CHANGING
LIVES**

Our strategy 2010-2015

Museum of London

Each theme appears with an artistic and eye-catching image taking up half of the page. The information is clearly ordered and laid out with a short summary of each theme, followed by a list of the objectives.

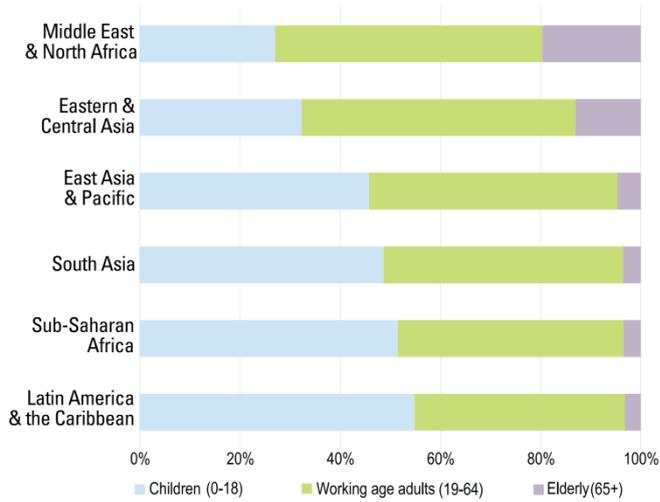
British Red Cross

Throughout their plan, they have used powerful photographs on each page which were relevant to the key objectives they are describing.



Children make up a large proportion of the population living in extreme poverty

People living on less than \$1.25 a day by age and region, % of total, 2000



UNICEF

They have utilised graphs and charts to get large amounts of data across in an accessible and easy to read manner. They displayed various graphs to highlight the need for their work, often showing quite powerful statistics.

WaterAid

Each organisational value is detailed on the same page as a powerful image to remind the reader throughout of the overall values. A quote from a person in need of aid is also at the bottom of each page - reinforcing the importance and impact of WaterAid's work.



WWF

WWF displayed their values in a visual and clear way, utilising their logo as the focal point. The imagery and text throughout the plan is clear and easy to read.



VOICE

WHAT THIS MEANS

Representing you is our first priority. Student voice means getting your feedback, knowing your concerns, your involvement in Union decision making and working together to bring about positive change and improvement to your university life.

WHY IT IS IMPORTANT

With increased fees students have a greater than ever stake in their education and how it is delivered. Student Voice is the key mechanism for you to bring about improvements you want to see whether across the University, within a specific course, in your Union or within the city of Newcastle and on the national stage. Your participation in Union decision making will make the organisation the legitimate voice for all Northumbria students.

IN A NUTSHELL

Have your say and we will work together for improvement

OUR BIG IDEAS

1. Empower students to improve the quality of education from the recruitment of academic staff to the design and delivery of courses.
2. Create an academic representation system that reflects the University's faculty structures which delivers positive change.
3. Change the Union's democratic decision making system so you have more of a say setting our priorities.
4. Create more student champions to campaign on issues of equality, academic quality, local community and national matters that affect you.
5. Make first class representation and campaigning 'Winning for Students' what you value the Union most for.

Northumbria Students' Union

Northumbria Students' Union displays each theme, or priority in their words, clearly with one page per theme. Each one states 'what this means,' 'why this is important' and describes it 'in a nutshell' and then a list of very clear 'Big Ideas'. The information is accessible and clearly shown throughout the document.

Structure of plan

The structure of the plans in our research varied, but some common elements did emerge. Most of the plans, and particularly those that we felt were most effective and readable, included most or all of the following:

- Introduction – what is the organisation; commentary on the last/current strategic plan and progress against it
- Beneficiaries – what does the organisation do; who benefits from its work/services
- Context – what is happening in the world surrounding the charity/organisation; what impact does this have on the strategic plan
- Mission, vision and values
- Strategic themes – as noted earlier, the average number of themes in each strategy was five, although some had as few as three and some as many as ten
- Major objectives – generally structured under each of the strategic themes

Conclusion

From the 45 organisations included in our research exercise, we concluded that different organisations' approach to strategy varies enormously, but that there are commonalities from which we are able to identify a set of best practice indicators. The first of these indicators is that strategies need to be easy to locate, and ideally included on the organisation's website within one click of the homepage. The second is that the optimum length of a strategic plan is between 12 and 18 pages; this provides sufficient length to include the detail and description requisite for an organisation's strategy, but is brief enough to maintain the interest of the reader. The third indicator is that the plan should include a vision statement and sometimes a mission statement; the plan should also include a values statement of between 4 and 6 values, with descriptive text for each.

The fourth indicator is that the strategy should be divided into 'themes', in order to break it up into manageable 'chunks'; ideally there should be between 4 and 8 themes and each theme should contain between 3 and 7 major objectives. The fifth indicator concerns the planning horizon for the strategy, which will be dependent upon the mission and specific circumstances of the organisation, but ideally should be between 3 and 4 years. Finally, the use of design and imagery should be utilised to bring the strategy to life and illustrate large amounts of data in an accessible manner.

Appendix - organisations included in the research

Registered Charities (22)

- **Shelter**
- **Citizens Advice Bureau**
- **Macmillan Cancer Support**
- **East Cheshire Hospice**
- **Care International UK**
- **British Red Cross**
- **UNICEF UK**
- **Cancer research UK**
- **National Trust**
- **The Arts Council England**
- **WaterAid**
- **Marie Curie**
- **Southlakes HousingGroup**
- **WWF**
- **World Vision**
- **The Duke of Edinburghs' Award**
- **B3 Living**
- **Gentoo Group**
- **Royal College of Nursing (RCN)**
- **Financial Ombudsman Service**
- **Age UK**
- **St Catherine's Hospice**

District Councils (5)

- **Hampshire County Council**
- **Nottingham County Council**
- **Buckinghamshire County Council**
- **Staffordshire County Council**
- **Essex County Council**

Students' Unions (8)

- **Liverpool Guild of Students**
- **Anglia Ruskin Students' Union**
- **Northumbria Students' Union**
- **Durham Students' Union**
- **University of Salford Students' Union**
- **Chester Students' Union**
- **University of Manchester Students' Union**
- **University College London Union**

Other Public Sector Organisations (10)

- **Natural History Museum**
- **University of Oxford**
- **University of Liverpool**
- **University of Sussex**
- **University of Kent**
- **Imperial College London**
- **Imperial War Museum**
- **Science Museum Group (London)**
- **Museum of London**
- **National Portrait Gallery**