Strategic Planning
Management Assistance Models For the Nonprofit Sector

An Action Report Submitted to the Faculty of the College of Social Sciences in Candidacy for the Degree of Master of Public Administration

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by

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LETTER OF TRANSMITTAL
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Mr. Samuel Streit
President, United Partners of Human Services
P. O. Box 10267
Tallahassee, FL 32302

Dear Mr. Streit:

Strategic planning plays a significant role in the growth and development of a nonprofit organization. As the President of United Partners of Human Services (UPHS), your professional awareness of its strengths as well as weaknesses allows you to conduct strategic planning in an effective and efficient way. Many nonprofit organizations are, however, unaware of the different steps and approaches to strategic planning. This lack of awareness causes frustration and anxiety, which can ultimately deter managers of nonprofit organizations from conducting strategic planning. Currently, many managers use an á la carte management assistance approach toward strategic planning. In order for managers to apply the appropriate management assistance approach or combination of approaches that is best for their nonprofit organization, they must understand the services that are available to them.

Based on my research and survey analysis, the UPHS would best serve its members by providing a workshop that presents the different logical steps and exercises involved in strategic planning. This workshop will assist your members by deconstructing the strategic planning process in order to provide a basic understanding. I also recommend an invitation be extended to professional service providers who specialize in strategic planning. By helping your members to understand the range of available strategic planning services, they will learn to make informed decisions in obtaining additional guidance when creating their own strategic plan.

Thank you for your consideration.

Sincerely,

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Management Assistance Models for Strategic Planning

EXECUTIVE SUMMARY

Strategic planning is a necessary step for a nonprofit organization to assess and pursue its growth and development. By employing strategic planning methods, a nonprofit organization gains meaningful direction and the ability to illustrate its success to key stakeholders and others. Strategic planning is also a teambuilding exercise that involves both staff and key stakeholders in the process of determining the growth and future of the nonprofit organization.

The purpose of this paper is to assist nonprofit organizations in the Big Bend Area in determining which management assistance model option is most attractive for their strategic planning needs. Therefore, I examined four management assistance models that provide nonprofit organizations with information, structure, and knowledge to conduct strategic planning. The four strategic planning management assistance model options are (1) the professional services model, (2) the self help model, (3) the management support organization (MSO) model, and (4) the peer member network model. I evaluated each model in consideration of its financial cost, timeliness, and knowledge base. Further, a group of nonprofit organizations’ executive directors in the Big Bend Area was asked through a survey to rate their interest in the four management assistance model options. These four evaluative criteria led to a determination of the best overall management assistance in strategic planning for nonprofit organizations in the Big Bend Area.

Based on my research and survey analysis, nonprofit organizations must understand the different steps and exercises in strategic planning in order to make an informed decision on how and with what help they should conduct strategic planning. This can be done by deconstructing the strategic planning process in order to obtain a basic understanding of its inner workings. Further, managers must become aware of the professional services that specialize in strategic
planning so that if necessary, their own nonprofit organization management expertise can be magnified with the help of a practitioner who can illustrate the different strategic planning services available. Through an understanding of available strategic planning services, managers will learn to make informed decisions in obtaining additional guidance when creating their own strategic plan.
PROBLEM STATEMENT

By employing strategic planning methods, a nonprofit organization gains meaningful direction and the ability to illustrate its success to key stakeholders and others. Strategic planning is also a teambuilding exercise that involves both staff and key stakeholders in the process of determining the growth and future of the nonprofit organization. Without a strategic plan, a nonprofit organization may lose its direction, unknowingly drift away from its values, and lack the ability to understand whether or not it is successful in delivering its services or products to its clients.

Given that the nonprofit sector of business is increasingly growing and an increasing dependence on nonprofit services has arisen, strategic planning provides an approach to aid nonprofit organizations in determining appropriate goals and how to reach them. Services that were previously provided by the government sector (on federal, state, and local levels) or by the private sector are being cut back or eliminated because of current government economic practices, as well as market failures. Nonprofit organizations are burdened with the responsibility of compensating for this service gap. In other instances, nonprofit organizations determine that there is a need in the community (and sometimes one that the community itself has failed to recognize). These situations lead to additional revenue sources being tapped. Individual giving and nonprofit foundation grants are supplying more resources than ever before, and the availability of government grants, as well as their funding amounts, have also changed dramatically. For example, the devolution of federal programs to local and state governments during the 1980s has led to the vulnerability of nonprofit organizations that are dependent on state funding (Gais, T., Burke, C. & Corso, R., 2003). Nonprofit organizations are increasingly relied upon to meet more needs and fill more gaps for communities.
The nonprofit sector’s struggle to meet community’s needs cannot succeed without growth and development planning. Planning exercises assist a nonprofit organization in understanding and continually assessing whether it is meeting those needs. Strategic planning can assist a nonprofit organization in assessing those needs. In addition, strategic planning helps the nonprofit organization to know whether it is meeting its own organizational goals and objectives and if not, how it can improve its operations. With these advantages, it is expected that a nonprofit organization would utilize strategic planning in some regard. Most nonprofit organizations do use strategic planning; however, it is considered complex, complicated, and confusing by some nonprofit organizations. Many nonprofit organizations do not believe that they need it or, on the contrary, set out to create a strategic plan that proves to be too difficult, or even futile.

A definition will help us discuss strategic planning and its necessity in terms of a nonprofit organization’s success. Many Internet web sites, books, articles, and journals have attempted to boil down the essence of strategic planning into simple basic steps. The vast array of definitions and applications makes finding a thorough explanation difficult. The inclusiveness of the Foundation for Community Association Research’s definition of a strategic plan, however, makes its explanation a sound starting-place. The strategic planning process involves:

"[...] a number of steps that identify the current status of the association, including its mission, vision for the future, operating values, needs (strengths, weaknesses, opportunities, and threats), goals, prioritized actions and strategies, action plans, and monitoring plans" (2001).

Strategic planning is a necessary step for a nonprofit organization to assess and pursue its growth and development. Therefore, I will examine management assistance models that provide
nonprofit organizations information, structure, and knowledge to conduct strategic planning.

Specifically, I will evaluate four strategic planning management assistance model options:

(1) the professional services model,
(2) the self help model,
(3) the management support organization (MSO) model, and
(4) the peer member network model.

While the peer member network model is currently being developed and thus not readily
available to nonprofit organizations in the Big Bend Area, it will be a viable potential assistance
program once implemented.

The strategic planning management assistance models presented have the ability to tailor
their outcomes as needed by the Big Bend Area nonprofit organizations. This allows all four
models to be considered effective if implemented by a nonprofit organization. The purpose of
this paper is to assist nonprofit organizations in the Big Bend Area in determining which
management assistance model option is most attractive for their strategic planning needs. I will
evaluate each model in consideration of its financial cost, timeliness, and knowledge base.

Further, a group of nonprofit organizations’ executive directors in the Big Bend Area was asked
through a survey to rate their interest in the four management assistance model options. These
four evaluative criteria will lead to a determination of the best overall management assistance in
strategic planning for nonprofit organizations in the Big Bend Area.


BACKGROUND

Strategic Planning

The concept of strategic planning in the business sector dates back to the 1960s and 1970s, with the General Electric Company, which is considered the pioneer of strategic planning (Gardner, Rachlin, and Sweeny, 1986). At that time and until recent years, strategic planning had been an exercise of support staff and not of line managers. Over the decades, this tactic presented a problem to line managers who are most closely aligned with and conduct the business operations, since they were not tasked in determining the company’s plan, and rather were tasked only with implementing it. In the 1970s, the business sector used strategic planning to stay ahead of the industry’s market and competitors. Gardner et al. note that relying on only a business’ own experience and knowledge is a handicap, since the current environment is ever-changing. During the 1970s, the business sector began using strategic planning with matrices, portfolios, and other models that included an industry structure model and value-based planning. This was a drastic leap from the early use of strategic planners, which decided the future of a company from a strictly internal perspective. Strategic planning is now used to provide bigger picture information and discuss broader issues concerning the business sector (Gardner et al., 1986). Coupled with the changing attitude toward decreasing planning department budgets as well as pressure from the previously-discluded line managers, strategic planning has now evolved into a plan of leadership assignment for CEOs and similar department heads, helping them to consider the business not only internally, but also at the external level, in order to better assess the industry and competitors.
The Nonprofit Sector

The nonprofit sector includes a variety of organizations with different missions and objectives as well as services and products. The most widely known commonalties of nonprofit organizations are 1. a focus on a mission based on serving those in need and 2. a lack of profit equity distribution. The growth of the nonprofit sector is extraordinary. The latest number released by the Internal Revenue Service (IRS) shows over one million nonprofit organizations in the United States with a yearly growth rate at 40,000 (Cohen, 2005). Since the IRS only tracks nonprofit organizations with an income of $25,000 or more, the true number of nonprofit organizations including those that are smaller remains unknown. Salamon reports that private charitable gifts equal well over $200 billion annually with 15.8 billion hours volunteered (2005, p. 11).

When describing the nonprofit sector, Drucker points out that the nonprofit organization's product is a changed human being and the sector itself is more results-oriented than the for-profit and governmental sectors (1993, p.xiv). Drucker also argues that without a "conventional bottom line," nonprofit organizations' leaders must learn management tools used in business-- a necessity which has lead to a "management boom" for the nonprofit sector (1990, p. xv). An inability to rate nonprofits exclusively by their bottom lines further complicates the objective rating of organizations based on their performances (1990, p. 107). However, there are ways of determining the success of a nonprofit organization's depending on the measures used by the organization.

With the current thrust of devolution by the federal government, a significant need for health and human service providers has increased in the past forty years (Peoppe, 1999). The trend of cutting federal funding for nonprofit organizations has resulted in changes in how the
nonprofit sector administers programs. Important changes within the sector include the increased competition for nonprofit resources such as funding, and the issuance of new policies designed to provide the most efficient and effective services possible (Peoppe, 1999).

The analysis in this paper is based on the responses of executive directors at the United Partners of Human Services (UHPS). UHPS is a management support organization that serves human services-oriented nonprofit organizations of the Big Bend Area in Florida. The nonprofit organizations that are members of UHPS have different missions and provide a multitude of services to the Big Bend Area. The nonprofit organizations in UHPS provide services as generally defined by Lester Salamon to include “social care providers to deprived, neglected, or handicapped children and youth, the needy elderly, the mentally ill and developmentally disabled, and disadvantaged adults” (2004, p 152).
LITERATURE REVIEW

When discussing what strategic planning is in the nonprofit sector, it is also important to say what it is not and why some nonprofit organizations do not want to use it. Mittenthal defines strategic planning as not “a wish list, report card, or marketing tool” (2005, p12). Some instances do not warrant strategic planning. Mara found that planning requires a lot of time and resources, which may not be available to smaller nonprofit organizations. Mara also described the strategic planning process as “tedious” to some organizations (2000, p 211).

While there are multiple definitions of strategic planning, the commonality lies in the many benefits. McNamara (1990) describes strategic planning as a way to define the purpose clearly, to establish realistic goals and objectives consistent with that mission in a defined period within the organization’s capacity for implementation. Other benefits of strategic planning exercises are the communication of those goals and objectives to the organization’s constituents and the development of a sense of ownership of the plan (McNamara, 1999). Further, Bryson argues that "strategic thinking and acting are more important than any particular approach to strategic planning” (1995). In other words, not only is it beneficial to have a strategic plan, but an initial exercise itself can be beneficial.

The strategic planning process is most practical when an established organization is prosperous as well as faced with difficult times. In addition, if the organization has been successful, strategic planning may help to capitalize on its success (Public Policy Research Center, 2002). Without strategic planning, a nonprofit organization can lose sight of its goals and constituent needs. Gidley describes how a nonprofit organization can take on a ‘Founders syndrome,’ which is when a nonprofit continues its programs despite having become out of touch with the changes in its constituent needs; this occurs, he claims, when the nonprofit
organization is isolated in the past in an attempt to maintain the original ideas and standards of the founder of the nonprofit organization (2005). By conducting strategic planning, all key stakeholders become educated in the many aspects of the nonprofit organization. By educating key stakeholders, knowledge and future direction are no longer solely reliant upon one person, such as the founder. Veenema states that some nonprofit organizations will neglect or avoid the self-analysis in a strategic planning exercise that would require them to define their plans and set their goals (2004). In an effort to reduce anxiety that may ultimately cause a nonprofit organization to avoid strategic planning, Jim Caplan suggests a nonprofit organization should not only consider another nonprofit organization’s plan, but should also borrow the plan to provide a model by which the organization can develop its own plan (1994).

Research and studies have looked specifically at strategic planning and nonprofit organizations. Moxley conducted a limited study on how four nonprofit organizations use and deploy strategic planning successfully (2004). He identified “transformational leadership and an organizational commitment to cultural change” as the factors that influence the nonprofit organization’s success. Also identified in the study were the factors of success in initiating the planning process, the formulation of the actual plan, and the use of the actual plan as an organizational product.

Research and publications have also mentioned the benefits of the different management assistance options for nonprofit organizations. The management support organization model may provide administrative and personnel services to nonprofit organization (Corporate Alternatives, Inc., 2005). These services allow the management support organization to conduct operational tasks that allow the nonprofit organizations to focus less on tasks where they may be less effective (Larson, n.d.). The MSO may solicit its own funding through community and
corporate donations, as did the local MSO in the Tampa Bay Area, Management Assistance Program, Inc, in order to provide its services at a reduced or nominal rate to nonprofit organizations (n.d.).

Lu, Lucas, Raines, & Yankey studied the implementation of local nonprofit organizations’ strategic plan in the Greater Cleveland area (2001). They found that all of the nonprofit organizations believed that a key role in their success was attributed to the consultants that assisted them; these consultants were varied, and included a paid consultant, a pro bono consultant, and a graduate student. Lu et al found through interviews with the nonprofit organizations’ executive directors that past strategic planning efforts were unsuccessful without a consultant.

Crittenden, Crittenden, Stone, & Robertson found that executives in nonprofit organizations have different levels of interest in the many exercises that occur during strategic planning. An empirical study of 303 nonprofit organizations found a positive association between scope of planning and executive satisfaction and a negative association between administrative informality and volunteer involvement (Crittenden, Crittenden, Stone, & Robertson, 2004). The study also indicated “that managers value some elements of the planning process more than others, in particular, objective-setting, forecasting, and evaluation.” Noted limitations on this study were based on the lack of stratified data regarding the size of the nonprofit organizations and the possibility that nonprofit organizations that had conducted strategic planning exercises may not have reaped its benefits yet. This interest lends itself to a more á la carte potential service approach by those who offer professional services for strategic planning or for management support organizations to consider in their workshops and training sessions.
Grobman discusses in his book “The Nonprofit Handbook” (2005) that strategic planning does have its costs. Along with the expected financial costs, time, notes Grobman, is a significant cost in regards to the preparation, meetings, and the drafting of the actual strategic plan, all of which can result in a year’s worth of work. Further, Grobman argues that there is a potential for negativity resulting from group discussions when issues become controversial or trivial, along with the risk of losing the agency motivation if the strategic plan becomes too detailed and inflexible. Reversely, Grobman presents many benefits to conducting strategic planning: allowing the nonprofit organization to become pro-active in determining its future, the creation of an actual plan to assist threats to the organization, and the ability to create a stronger relationship between the board, managers, and staff. In addition, strategic planning provides a healthy discussion of all stakeholders regarding the nonprofit organization’s activities and problems.
RESEARCH METHODOLOGY AND EVALUATIVE CRITERIA

Strategic planning is a necessity in the continuance of nonprofit organizations to deliver their services. That established, how do nonprofit organizations attain the knowledge and support needed to conduct strategic planning? Many nonprofit organizations choose different avenues of receiving strategic planning management assistance, and others may not conduct any strategic planning because they feel unable to obtain needed assistance due to their existing resource constraints on time, expertise, and available funding. Based upon these common constraints on nonprofit organizations, I will discuss four evaluative criteria that will frame four management assistance model options in an effort to further the use of strategic planning. The first of four criteria used to evaluate management assistance model options is the ability to mobilize the model quickly in order to provide assistance to a nonprofit organization. Mobilizing management assistance when in demand by the nonprofit organization is a key attribute in conducting strategic planning. Without the availability of management assistance, there is potential of a nonprofit organization to either begin strategic planning without the proper guidance, or to not begin at all. The expected financial cost to provide management assistance to the nonprofit organization is the second evaluative criterion. A lack of financial resources can hinder an organization from obtaining strategic planning management assistance. Also, many nonprofit organizations believe the financial cost of planning assistance is too high without truly having researched the financial cost or other available and economical options. The knowledge base-- the expertise-- is the third evaluative criterion. Knowing what strategic planning approaches will best assist a nonprofit organization in consideration of its specific size, sector, and maturity, is essential.

The fourth evaluative criterion of management assistance models is based on the rating
of North Florida nonprofit organization executive directors’ interest in the four strategic planning management assistance options. This evaluative criterion is considered to be the most significant since it relies specifically on feedback from those who decide between the management assistance models options for use by nonprofit organizations. The surveyed ratings indicate the needs and interests of a larger audience of executive directors in the Big Bend Area. Using a posted survey on the United Partners of Human Services (UPHS) web site, executive directors were asked to answer four questions regarding strategic planning (this survey instrument is presented in Appendix A). Ten surveys were returned during the period in which 67 nonprofit organizations were considered in good standing by the UPHS, meaning there was a 15% response rate. The survey analysis does not depend on the nonprofit organization’s current use of strategic planning, but rather, it is based on the executive director's interest in using any of the four strategic planning management assistance option models. The executive directors rated, the four models using a scale of one (1) to four (4), with one indicating the highest interest in using the model.

Factors not yet discussed in this paper include the time that must be allotted to conduct strategic planning, as well as its successful implementation in the nonprofit organization. It is assumed that all strategic planning exercises will require the same basic resources-- time preparation for meetings, time spent in a meetings, and post-meeting assignments, to name a few. The time obligation needed from members of the board, managers, and staff may, however, be increased or decreased based on the preparation and/or knowledge base possessed by the strategic planning facilitator, whether it be the manager, a board member, or an individual brought in to conduct the exercises. External and/or internal factors of the nonprofit organization also affect the successful implementation of the strategic plan. The size, structure, and
Management Assistance Models for Strategic Planning

organizational environment of a nonprofit organization can increase or decrease the ability of a strategic plan being implemented successfully. Timing, also, is everything, along with size, structure, and organizational environment, the extent to which an organization is established within a community will impact the effectiveness of a strategic management attempt.

The four models of strategic planning management assistance for nonprofit organizations that will be evaluated in this paper are:

(1) the professional services model,
(2) the self help model,
(3) the management support organization (MSO) model, and
(4) the peer member network model.

One limitation of these four evaluative criteria is the assumption that each management assistance model is adequate once implemented, and thus, equal. Another is the lack of mutual exclusiveness between the four management assistance model options. Through collaboration, many of the models are compatible. For example, an MSO may offer services through practitioners with expertise in strategic planning who are affiliated with the MSO. Another practical collaboration is between practitioners and a peer member network. In fact, a listing of self help resources may also be provided on an MSO web site. Other limitations and general assumptions are noted in the Discussion section.
MANAGEMENT POLICY OPTIONS

Each of the four strategic planning management assistance model options will first be defined in terms of its parameters. The options will then be evaluated based on the four criteria: ability to mobilize, expected financial cost, knowledge base, and interest rating and comments of nonprofit organizations’ executive directors. The following is a general discussion that compares and contrasts the four management assistance model options:

Management Assistance Model Option 1: The **professional service** model employs a practitioner--from a for-profit firm who provides services in strategic planning--to assist the nonprofit sector. The goal of this model is to help nonprofit organizations attain individual training and guidance from a practitioner whose role is to assist in strategic planning. The practitioner may provide assistance throughout all aspects of the planning, or may conclude after an initial exercise that will prepare the nonprofit organization to continue on its own.

*Ability to mobilize* – As a for-profit service provider, the professional service model maintains a high mobilization level since it depends upon its services to generate profit. Another benefit of this model is its ability to bring in additional resources as necessary in order to conduct strategic planning exercises. The professional service model’s greatest strength is in its ability to mobilize quickly or schedule in advance in response to the nonprofit organization’s need for strategic planning.

*Expected financial cost* – This model employs a practitioner who charges for strategic planning services at a competitive rate. Further, the practitioner works in the for-profit (business) sector that requires that services generate profit. The competitive rate is likely to create a financial burden for many nonprofit organizations. If the nonprofit organization is small
and on a shoestring budget (as many are), the cost of this individualized attention may be unjustifiably high. One way for a nonprofit organization to balance the need for a strategic planning practitioner is to determine the level of assistance it requires--an \textit{à la carte} approach--in order to gain enough strategic planning knowledge to conduct the exercise itself.

\textit{Knowledge base} – This model utilizes a practitioner who is expected to understand and be able to implement strategic planning management assistance at a high success rate, regardless of internal issues at the nonprofit organization. The professional service is based on the ability to create and maintain integrity, as well as teach the nonprofit organization to maximize the rewards that result from the strategic planning process. Since frustration and anxiety have been associated with strategic planning exercises, the professional service model provides a guide through the exercised for the organization, in order to prevent individuals or groups from getting off track and onto inconsequential topics. This support and ability to individualize strategic planning exercises that cater specifically to the nonprofit organization helps to qualm frustration and anxiety. In addition, this model also brings in professionalism and experience in report preparation for the nonprofit organization. This assures the nonprofit organization a professional-quality final strategic plan format, which can be of use in both the grant-writing process and written distributions to key stakeholders.

\textit{Interest rating of nonprofit organizations’ executive directors} – The executive directors were the least interested in using this model, according to the survey results. Currently, the professional service model is used by six of the ten nonprofit organizations. However, when using the model, only one nonprofit organization used it exclusively. Most nonprofit organizations use a combination of other models such as self help and MSO with the professional service model. While two of the ten executive directors rated professional service
as most interested in using, four executive directors rated it least interesting. Comments made by executive directors regarding the professional service model mentioned the time and effort that bringing a professional practitioner up to speed on the nonprofit organization’s current state is a significant obstacle. Comments from those who had used a practitioner were also mentioned as a toss-up as far as the success of the strategic planning experience is concerned.

Overall, the professional service model has strengths in the mobilization and knowledge base criteria. However, the financial cost of this model is a strong weakness since many nonprofit organizations do not have adequate funding for strategic planning. Further, as discussed in the survey responses, the time and effort to bring a practitioner up to speed is costly. While many nonprofit organizations use professional services, it was the least interesting model according to nonprofit organizations’ executive directors.

Management Assistance Model Option 2: The self help model involves a wide search of strategic planning information for implementation by the nonprofit organization itself. The nonprofit organization conducts a search of resources such as books and Internet web sites, among others. An additional resource may be found in the past experience of the nonprofit organization’s executive director or a board member. Some nonprofit organizations that have conducted strategic planning for many years may have developed their knowledge base such that they are able to successfully conduct strategic planning exercises without outside assistance. Sources used when implementing the self help model can provide a nonprofit organization an overall understanding of the financial and time-related resources that are needed to conduct strategic planning exercises. Theses sources also provide nonprofit organizations the understanding of what an expected product of strategic planning could look like depending on
Management Assistance Models for Strategic Planning

the organization's size, sub-sector, and organizational condition.

*Ability to mobilize* – This model requires that a nonprofit organization adopt a hands-on approach in deciding the direction they consider best for their organization. However, the gathering of strategic planning information may turn into a daunting task for an organization. The time that a nonprofit organization may put into this model could range anywhere from minimal to exhausting, using staff time to learn “all there is to know” about strategic planning. This model is also lacking in the capacity to give feedback from the information source to the nonprofit organization. This lack of feedback could allow the nonprofit organization to misdirect or misguide itself from logical strategic planning toward to an insignificant product, which in the end costs the nonprofit organization even more time and staff resources. When an executive director or board member conducts strategic planning, the ability to mobilize is higher; however, time and priority constraints of the person conducting the strategic planning exercises could cause timing postponement or loss of effort and motivation to conduct the exercises.

*Expected financial cost* – The financial resource used for this model could be as little as buying a book or subscribing to an Internet provider. Since the nonprofit organization executive director or a board member will conduct the strategic planning exercises his/herself, no additional cost would be assessed.

*Knowledge base* – There is a plethora of information and published knowledge for strategic planning which may be helpful to a nonprofit organization. The many sources provide pre-determined step by step manuals and guidance for a nonprofit organization. The self-help method is an exercise in the nonprofit organization's ability to tailor the information to its needs, sub-sector, and size without specific guidance and advice in regards to its current organizational condition. Many Internet web sites provide guidance along with advice to assist nonprofit
organizations in determining which strategic planning course of action is best suited for them. As discussed earlier, the nonprofit organization’s executive director or a board member may possess the knowledge and ability to conduct the strategic planning exercise him/herself. With experience and knowledge, this approach by a stakeholder may prove to be a strong advantage since the need to understand the nonprofit organization is already met.

*Interest rating of nonprofit organizations’ executive directors* – Many executive directors rated self help with a moderate interest. Eight of the ten executive directors surveyed use at least some self help in their current strategic planning. Six of the eight use it along with another model such as professional service and/or management support organization. Though many executive directors rated the self help model as most interesting in terms of strategic planning methods, about the same number rated it as the model they found least interesting for their purposes. Comments from the survey related to the “up to speed” time that is needed for conducting strategic planning by an internal stakeholder. Nonprofit organizational staff do not have the time to become strategic planning experts during work hours, according to responses to the survey. However, a combination of professional service and self help balance not only time constraints, but also financial resources necessary for adequate strategic planning. This balance echoes the *à la carte* approach in which nonprofit organizations determine at what points in the strategic planning exercises they need assistance from a practitioner. Another comment from the survey touched upon the knowledge and educational background possessed by executive directors, and pointed out that these directors may not easily lend themselves to develop specific expertise in strategic planning. It is this lack of expertise and background, in addition to lack of preparation time, that may lead executive directors away from solely relying on self help when it comes to strategic planning.
Management Assistance Models for Strategic Planning

Overall, the self help model's greatest strength is in the lack of financial cost and knowledge base, however it seems to be efficient only for those nonprofit organizations that have internal stakeholders who are able to conduct the strategic planning exercises themselves. The level of mobilization is fair since the informational resources regarding strategic planning are abundant, however the execution of the exercises can require too much time of the stakeholder responsible for conducting them. This model has been used by many of executive directors in partnership with professional service practitioner in the \textit{à la carte} approach.

Management Assistance Model Option 3: The \textbf{management support organization} model assists nonprofit organizations through a number of methods. The most widely known and common methods are technical assistance and training, although some management support organizations also offer human resource services such as administrative and personnel functions. The purpose of the management support organization model is to provide needed support that helps not only specific nonprofit organizations, but also the entire sector by guiding nonprofit organizations in becoming stronger and more effective and knowledgeable in its management.

\textit{Ability to mobilize} – A management support organization may only hold workshops at specific times of the year so that a nonprofit organization must have to wait to conduct its strategic planning. Further, the management support organization provides guidance and instruction in a training or workshop setting, although the nonprofit organization must then conduct the actual strategic planning exercises itself, which may require extra time. However, if there was a high demand for a training course from management support organization members, it is likely that the management support organization would be able to offer a training course. Another criterion of a management support organization's ability to mobilize is whether or not its
staff are able to present training based on their own knowledge and experience. A management support organization may use one of its members to offer the training if the management support organization staff is unable to conduct strategic planning training. Along the same line, the management support organization may not have this resource and therefore may contract a professional service provider. This would hinder a quick response to those nonprofit organizations that are in need of the training.

*Expected financial cost* – The financial cost of this model would most likely be a nominal fee, and in some instances a free membership may be available. The management support organization model relies on a membership of nonprofit organization that pay annual fees, which likely range in price according to the revenue of the nonprofit organization.

*Knowledge base* – The management support organization may provide workshops guided by its staff or volunteers for its nonprofit organization members; these instructors are well versed in strategic planning through knowledge and experience. The management support organization may also contract with a practitioner who has expertise in strategic planning in order to provide a training workshop. This allows the nonprofit organization to be guided in what specific approach is best for it based on its size, structure, and organizational environment, though without an individualized instruction. Using a management support organization for management assistance requires a nonprofit organization to conduct the strategic planning exercises on its own. The management support organization model is similar, in this way, to using the *à la carte* approach with the professional service model, which would provide individualized instruction.

*Interest rating of nonprofit organizations’ executive directors* – This model rated as the most interesting by the nonprofit organizations’ executive directors. In contrast to this rating,
though, only three of the executive directors currently use a management support organization for strategic planning management assistance. Further, the three executive directors that responded that they use a management support organization for management assistance use it in combination with other management assistance options. Comments from the survey mentioned the same concerns regarding a management support organization as professional service. Bringing an outsider up on the issues of the nonprofit organization takes time and effort that a nonprofit organization may not have to give.

Overall, the strength of the management support organization model is its financial cost (or rather, the lack thereof). By using a management support organization, a nonprofit organization gains credibility and a knowledge base that the nonprofit organization would not be able to afford on its own. The management support organization model has weaknesses in its expected mobilization as well as its knowledge base. Specifically, the knowledge of the trainer from the management support organization may be adequate, however the nonprofit organization is still left to implement the strategic planning exercises by itself. This weakness is considerably less significant when a management support organization is able to provide professional services for its members when needed. While it is a possibility for a management support organization to provide professional services, it is less likely to be able to provide services to all of the nonprofit organization members that require assistance. An interesting contrast was found in the survey results as mentioned previously. While nine of the ten executive directors who responded conduct strategic planning currently, only three stated that they use a management support organization. However, more executive directors rated the management support organization model either as the first or second most interesting model (most executive directors rated this model as the model they are second most interested in using). Regardless, the model received
the highest ranking by the executive directors, which indicates that the model may possess more strengths than weaknesses in the field of strategic planning management assistance.

Management Assistance Model Option 4: The **peer member network** model uses an electronic network available via the Internet to provide strategic planning advice and research from peer members. Based on technological research conducted under contract for the United States Government, this model is currently being translated into an infrastructure for nonprofit organizations in the area to use. This network is similar to the Google Internet search engine by which a search is conducted using key words of the database of the peer member network. This allows all peer members the ability to share strategies and information. The business advertisements are expected to relate to the key word search, which adds an additional resource to the query. The purpose of this model is to generate a network of nonprofit organizations working together to educate all nonprofit organizations’ staff to help the nonprofit sector as a whole. Another purpose of a peer member network is to provide a place where nonprofit organizations’ staff is able to give advice and share their own best management practices. The expansive use of this network ensures that a large amount of information will be shared. Again, this model is in its developmental phase but is expected to be rolled out to the nonprofit organizations soon.

*Ability to mobilize* – The peer member network relies on the use of nonprofit organizations’ staff to communicate with other nonprofit organizations’ staff using documents, research, and other resources to populate its database for querying. It is expected that the buy-in to this model may lag at first. However, once the capacity of this model is visible to more nonprofit organizations’ staff, the model will become increasingly more effective. The time
demands that this model requires can range from as minimal as simply querying information to exhausting, in consideration of the massive collection of documents and research available regarding strategic planning that one may sift through.

*Expected financial cost* – This model is expected to be free to nonprofit organizations interested in using it. However, the nonprofit organization must subscribe to an Internet service provider in order to access the web site. In order to make access to the web site free for organization members, the creators of the network will sell advertisement space on the web site in order to maintain a profit.

*Knowledge base* – This model provides guidance from other nonprofit organizations but it remains that the strategic planning exercises must be conducted by the nonprofit organization itself. A peer member network is only as strong or valuable as the information that populates the database. The knowledge base of this model, as stated previously, is highly dependent on the database. The database will initially have a less broad selection of information; however, the database is expected to be increased and sustained with information provided by its creators and other academic resources.

*Interest rating of nonprofit organizations’ executive directors* – The peer member network was rated with moderate interest, along with the self help model. Many executive directors rated this model as first or second in their interest of use for management assistance for strategic planning. It can be surmised that there is a high level of anticipation of the peer member network. An interesting point to note is that most executive directors who stated that they use self help only gave this model a low interest rating. Since the peer member network is not currently available, the analysis of the survey does not provide a capacity to determine its current use.
Management Assistance Models for Strategic Planning

Overall, the peer member network model’s strengths are in its financial cost and the knowledge base expected once the database is populated. This attribute also illustrates the model's weakness, though, as without interest and support from nonprofit organizations’ executive directors, this model will never reach its potential. In spite of the fact that the peer member network is not currently available, it was still ranked as a moderate interest in the eyes of the executive directors. The population of the survey will have the model available to them as a pilot once the network is up and running.

General Discussion

As mentioned previously, these management assistance models for strategic planning are not mutually exclusive. In fact, some may draw upon the same resources as others, whether they be professional services contracted through a management support organization or an individual contract directly by the nonprofit organization. Another similarity between models is the connection between the self help and peer member networks. The peer member network model, in fact, draws upon the self help type resources to populate the database with information. The fact that some executive directors may still have doubts in the execution and use of this model may be the reason it received a moderate rating. However, this model does lend itself as a self help model in many ways, and the self help model rated moderate as well.

Another similarity between many of the management assistance models is the minimal financial burden (and sometimes lack of financial burden) upon organizations. In a sense, self help and peer member network necessitate only an Internet provider as a financial cost, and as a business, it is likely that a nonprofit organization has already acquired this business expense.
The management support organization also involves minimal charges, most of which are part of a small annual fee.

Three of the four management assistance models require the nonprofit organization the internal stakeholders to conduct the strategic planning exercises. These strategic planning management assistance models depend on the nonprofit organization's resources in order to be successful. The only model that has the potential to assist throughout the strategic planning process is the professional service. Due to this widely used model, it seems that the executive directors remain committed to the expertise that is gained by using a practitioner in some regard.

One approach to management assistance for strategic planning that came to light amongst the realms of professional service, management support organization, and self help model discussions was the use of *à la carte*. This approach of determining management assistance for specific exercises and guidance seems to be the most-used approach amongst executive directors. The executive directors responded in the survey that six of the nine who currently use management assistance use more than one option when conducting strategic planning. This approach relies on the executive directors’ understanding of the strategic planning process and of their nonprofit organization’s needs. With this awareness an executive director can determine which steps or exercises require a practitioner or workshop in order to conduct the strategic planning process as successfully as possible.
CONCLUSION

Strategic planning plays a significant role in the growth and development of a nonprofit organization. Strategic planning is a process that can include defining the goals and objectives of a nonprofit organization. It can also assist stakeholders in understanding how a nonprofit organization meets the needs of its clients. There are many different methods for conducting strategic planning. In addition, the nonprofit organization’s size, structure, and organizational environment can dictate which strategic planning exercises are appropriate.

Unfortunately, many nonprofit organizations are unaware of the different steps to and approaches involved in strategic planning. This lack of awareness coupled with frustration and anxiety can ultimately deter managers of nonprofit organizations from conducting strategic planning. Also found in the research is that many managers use an *à la carte* management assistance approach to the different steps and exercises that are included in strategic planning. In order for managers to apply the appropriate management assistance approach or combination of approaches that is best for their nonprofit organization, they must be aware of and understand the services that are available to them.

Nonprofit organizations must determine the most appropriate approach to conducting strategic planning in an effective and efficient way according to their size, structure, and organizational environment. An unexpected approach of nonprofit organizations’ managers was revealed in the literature review and the management assistance models. The *à la carte* approach relies on different aspects of self help or self knowledge, professional services, and the management support organization models. Nonprofit organizations would be best served using the *à la carte* approach in order to receive appropriate strategic planning guidance. However, the
adoption of this approach should be preceded by at least a basic understanding of the steps and processes involved in strategic planning.

Based on the research and survey analysis, nonprofit organizations must understand the different steps and exercises in strategic planning in order to make an informed decision on how and with what help they should conduct strategic planning. This can be done by deconstructing the strategic planning process in order to obtain a basic understanding of its inner workings. Further, managers must become aware of the professional services that specialize in strategic planning so that if necessary, their own nonprofit organization management expertise can be magnified with the help of a practitioner who can illustrate the different strategic planning services available. Through an understanding of available strategic planning services, managers will learn to make informed decisions in obtaining additional guidance when creating their own strategic plan.
REFERENCES


Management Assistance Models for Strategic Planning


Appendix A: Strategic Planning Survey

I am seeking your responses to four questions regarding management assistance in strategic planning. The purpose of this survey is to determine which of four management assistance models are most attractive to Executive Directors of Health and Human Services Organizations in the Big Bend Area.

As an Executive Director of a nonprofit organization, your understanding and experience in strategic planning is very important in determining how other health and human service organizations can be best served with management assistance.

Your response will remain anonymous for analysis and reporting purposes in my Action Report for a Master’s Degree of Public Administration at FSU’s Askew School. I look forward to presenting the results of this survey and my research to you at an upcoming meeting of the United Partners for Human Services.

Please return the completed survey by Wednesday, July 27th to alv04@fsu.edu.

Please indicate your response with an X.

1. Does your organization currently participate in any strategic planning?
   ___Yes  ___No

2. What management assistance does your organization use for strategic planning?
   ___Professional Services (Consultant)
   ___Self Help (Personal knowledge, books, Internet web sites, etc.)
   ___Management Support Organization (IE United Partners for Human Services where workshops and training sessions are offered to members)
   ___Other ________________________________

3. Consider the following strategic planning management assistance options. Rate them on a scale of 1 to 4 according to your interest in using for them for assistance in your organization’s strategic planning (1 most interested in using and 4 least interested in using).
   ___Professional Services (Consultant)
   ___Self Help (Personal knowledge, books, Internet web sites, etc.)
   ___Management Support Organization (IE United Partners for Human Services where workshops and training sessions are offered to members)
   ___Peer Member Network (A nonprofit shared knowledge database of documents, research, etc. available to all peer members)

4. Are there any comments you would like to make regarding the management assistance options?

   Thank you for your time and participation in this survey.

Andrea L. Vaughn, alv04@fsu.edu
Tele: 528-9178
Conducted in July 2005
## Appendix B: Strategic Planning Survey Results

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