



STRATEGIC MANAGEMENT

Trainer's Guide



UNASO Organisational Development Programme

Workshop 1:
Strategic Management



Trainer's Guide

Uganda Network of AIDS Service Organisations (UNASO)
Block 773, Kabakanjagala Road, Mengo
P.O. Box 27346, Kampala, Uganda
Tel: (+256) 041 274730/ 077 486507
Fax: (+256) 041 274731
Email: unaso@unaso.or.ug
Website: www.unaso.or.ug

Acknowledgements

This manual was developed by UNASO with support from the AIM Programme. UNASO and AIM wish to acknowledge the following people and organisations for their support in developing this manual:

Patrick Okuma of Mentor Consult Ltd. developed the materials for this guide.

The material on Board Governance was adapted from the Board Governance Training developed by **World Education's Ntinga Microenterprise Support Project** in South Africa.

Strategic Management Trainer’s Guide

Table of Contents

Acknowledgements.....	i
Acronyms.....	iii
Background: Organisational Development Programs.....	iv
How training is Organized	v
How to use The Guide	v
Schedule of Activities.....	ix
1 Introduction.....	1
2 Overview of Strategic Planning.....	4
3 Clarifying the Vision & Mission of the Organisation.....	13
4 Situational Analysis (Internal Environment)	18
5 Situational Analysis (External Environment).....	25
6 Stakeholder Analysis	29
7 Setting the Strategic Direction.....	33
8 Presenting the Strategic Plan	37
9 Managing the Plan	39
10 Key Success Factors: Board Governance	41
11 Action Planning	46
Evaluation and Close	49

Acronyms

AIDS	Acquired Immune Deficiency Syndrome
AIM	AIDS/HIV Integrated Model District Programme
CBO	Community Based Organisation
CDC	Centres for Disease Control
CEO	Chief Executive Officer
Cr	Credit
CRM	Cause-Related Marketing
DLO	Donor Liaison Officer
Dr	Debit
FBO	Faith Based Organisation
FRS	Financial Reporting Standards
GAAP	Generally Accepted Accounting Practises
GRO	Grass Roots Organisation
HIV	Human Immunodeficiency Virus
HR	Human Resources
HRM	Human Resource Management
HRP	Human Resource Planning
ICPAU	Institute of Certified Public Accountants of Uganda
M&E	Monitoring and Evaluation
MTCT	Mother To Child Transmission
NGO	Non Governmental Organisation
PA	Performance Appraisal
PCV	Petty Cash Voucher
SMART	Specific, Measurable, Achievable, Realistic, Time-bound
SSAP	Statement of Standard Accounting Practises
STI / STD	Sexually Transmitted Infection/ Sexually Transmitted Disease
SWOT	Strengths - Weaknesses - Opportunities - Threats
TB	Tuberculosis
TNA	Training Needs Assessment
VCT	Voluntary Counselling and Testing
WFA	World Federation of Accountants
WHO	World Health Organisation
WO	Welfare Organisation

Background: Organisational Development Programme For Ugandan NGOs

The **Uganda Network of AIDS Service Organisations (UNASO)** is a nationwide network of organisations working on HIV/AIDS related work in Uganda. UNASO's role is to coordinate HIV/AIDS service organisations in Uganda so that prevention, quality care and support services are available to all people in Uganda.

To improve and expand HIV/AIDS services in the districts, UNASO has undertaken a strategic partnership with ten national-level NGO partners to strengthen their ability to work with district constituents. Each organisation participated in a Joint Institutional Assessment (JIA) process, in which UNASO and NGO staff worked together to look critically at key areas such as strategic management, financial systems, and external relations. This process helped the NGOs and UNASO to reach a consensus on the primary areas of strength and those needing improvement. To address the NGOs' organisational capacity needs identified through theJIAs, UNASO provided a programme of workshops and individualised technical assistance.

Participating NGOs were:

- Church Human Services AIDS Prevention Programme (CHUSA)
- Islamic Medical Association of Uganda (IMAU)
- National Community of Women Living with HIV/AIDS (NACWOLA)
- Straight Talk Foundation (STF)
- Traditional Modern Health Practitioners Together Against AIDS and Other Diseases (THETA)
- Uganda Business Coalition (UBC)
- Uganda National Association for Nurses and Midwives (UNANM)
- Uganda Network of AIDS Service Organisations (UNASO)
- Uganda Private Midwives Association (UPMA)
- Uganda Women Efforts to Save Orphans (UWESO)

A series of workshops held in 2003 for these ten NGOs provided them with an introduction to the crosscutting issues common among the organisations identified through the Joint Institutional Assessments. The topics were:

- Strategic Management
- Monitoring & Evaluation
- Human Resource Management
- Financial Management
- Resource Acquisition

To follow up each workshop, the trainer visited each NGO for a 2-4 hour Consultancy Clinic in which the NGO's staff could discuss specific concerns and plan for further technical assistance. NGOs then had the opportunity to apply for grants through the AIDS/HIV Integrated Model District Programme (AIM), including activities addressing their capacity building needs identified in the JIAs, workshops and clinics.

How This Training is Organised

Each of the five workshops in this series is designed as a residential full-time course, lasting from three to five days. Although it is possible to use one session or activity by itself, the curriculum is designed to be integrated. Each topic builds on the last one, moving from fundamental skills to more complex ones. The workshop topics are also meant to relate to each other; so that participants can understand the connections between the various aspects of organisational development. However, you can conduct one module alone if desired.

How to Use This Guide

This curriculum has been revised based on feedback from the participating NGOs. For each of the workshops, there is a *Trainer's Guide* and a *Participant's Manual*.

This is the **Trainer's Guide** for one of the modules. It provides step-by-step instructions for a trainer to facilitate the workshop; a suggested schedule and timing for each session; instructions for activities; and lecture material. It also contains a copy of all the Handouts and information provided in the Participant's Manual.

A Participant's Manual goes with this Guide. It contains the handouts to be used in the workshop and a copy of the lecture material for reference.

In this Trainer's Guide, there is a list of useful information at the beginning of each session:

- Learning objectives
- Suggested length of time
- Methods used
- Materials needed
- Any special preparation required

Within each session are the steps for carrying out each activity. Information for short lectures is also given, with suggested questions for discussion to keep participants involved.

Training Methodology

Participants in the NGO Organisational Development Workshops come to the course with their own particular set of skills, experiences and interests. The facilitator's major responsibility is to help them build on past experience and add new information and skills. Facilitators are not only lecturers. They are expected to engage participants in solving problems, making decisions, sharing experiences, and thinking about how they will apply what they learn to their work. This curriculum includes many interactive activities such as case studies, group work, and brainstorming. A very important part of the workshops is for participants to practise new skills. Whenever possible, activities are related to participants' own organisations. For example, they may analyse the mission statement of their NGO, or assess their NGO's financial management practices.

Classroom Organisation

To help the facilitator with logistics and classroom management, participants will take turns serving as the “**classroom volunteers**” for the day. The classroom volunteers are a small group of 2-3 participants who volunteer each day. They get people started at the beginning of the day, lead ice breakers after breaks, review the past day’s activities in the morning and link them with the current day, provide information on any relevant current events, manage the daily schedule and help keep time.

In addition, the volunteers attend a **steering committee** meeting at the end of the day, to give feedback to the facilitator and course organisers. They ask other participants for feedback on course methods and content, as well as logistical issues such as meals and lodging, and report back to the course organisers. In this way, the classroom volunteers not only provide logistical assistance to the facilitator, but also give participants a voice in the management of the course.

EVALUATION

Evaluation is an important step in the learning process and should be used constantly throughout the training. Facilitators can continuously check participants’ learning in an informal manner by asking questions and observing performance during activities, and then use this information to focus his/her teaching on the topics that demand more attention.

At the end of each day, the facilitator should set aside time for evaluation. The facilitator should use a variety of evaluation activities to evaluate different aspects of the training and to keep things interesting.

These evaluation techniques should be complemented with a “check” on the learning objectives for the day to make sure that participants can say how the objectives were or were not achieved and to get suggestions for the following days. Those can be written responses that are shared by the host team with the steering committee that afternoon.

Sample Daily Evaluation Techniques

The following techniques are suggested ways to evaluate the day:

1). To evaluate how the day was for participants, ask them to take a few minutes to write their thoughts about these questions.

- What was most useful for you today?
- What was most difficult? What suggestions do you have for overcoming this difficulty?
- What suggestions do you have for tomorrow?

Have the participants give their responses to the host team for their review at the steering committee.

2). Ask participants to role-play an illustration of a valuable lesson that they learned today, or to draw a picture of something valuable that they learned, and then have them explain it to the group afterward.

3). Check in with people's "affect," or how they are feeling. To model an evaluation technique that elicits feedback about feelings, ask participants to write down one or two words that best describe how they are feeling at that moment and then to share it with the rest of the group if they want to.

4). Use a "physical continuum" to do #3 above. Ask participants to think about a statement such as: "Today, I experienced significant change in my understanding of peer education." Ask participants to stand at one end of the room if they strongly agree with the statement, at the other end of the room if they strongly disagree, or to choose a place somewhere in between that represents their feelings. Ask a few participants to discuss why they placed themselves where they are.

5). Review the day's objectives. Ask participants to take a blank piece of paper and to write their answers to the following:

- On a scale of 1 – 5, (with 5 being “maximum possible,”) to what extent were each of the day's learning objectives met?
- What suggestions do you have for the next day of this training?

When the evaluations are complete, give them to the host team to read and to summarise for their participation in the steering committee.

6). Paper Fight: *[Note: This activity requires physical activity. It may not be appropriate for all groups. Do not select this activity if it will exclude some participants.]*

Ask each person to take a piece of paper and to write a question on it that will help evaluate how well the day's (or workshop) objectives have been met. When each person has written a question, ask them to make a ball out of the paper. Then ask them to stand up, facing one another in equally divided teams.

Explain that they will “fight” one another with the paper balls, each team throwing the balls at the other team until the facilitator says “stop.” The goal is to get as many paper balls on the other team's side as possible.

When everyone is ready, say, “On your mark, get set, GO!” and watch the paper fight for a few minutes. After about a minute, call “time!”

Ask the two teams to collect their paper balls and to count the number that are on both sides. The team with the fewest balls on its side “wins.” Instruct the teams to open up their paper balls and to read the question silently. Then, the winning team asks the other team one of the questions, and the other team must correctly answer it to the satisfaction of both teams and the facilitator.

Schedule of Activities

TIME	LENGTH	TOPIC
DAY ONE		
8.30 – 9.30	1 hr	Introduction
9.30 – 11.00	1 hr 30 min	Overview of Strategic Planning
11.00 – 11.30	30 min	<i>Break</i>
11.30 – 12.30	1 hr	Clarifying the Vision and Mission of the Organisation
12.30 – 1.00	2 hr total	Situational Analysis (Internal Environment)
1.00 – 2.00	1 hr	<i>Lunch</i>
2.00 – 3.30		Situational Analysis Internal continued
3.30 – 4.30	1 hr	Situational Analysis (External Environment)
4.30 – 5.00	30 min	Evaluation of Day One
5.00 – 5.30	30 min	Steering Committee Meeting
DAY TWO		
8.30 – 9.00	30 min	Recap of Day One
9.00 – 10.00	1 hr	Stakeholder Analysis
10.00 – 11.00	1 hr	Setting Strategic Direction
11.00 – 11.30	30 min	Presenting the Strategic Plan
11.30 – 12.00	30 min	<i>Break</i>
12.00 – 12.30	30 min	Managing the Plan
12.30 – 1.00	1 hr 30 min total	Key success factors: Board Governance
1.00 – 2.00	1 hr	<i>Lunch</i>
2.00 – 3.00		Board Governance cont'd
3.00 – 4.00	1 hr	Action Planning
4.00 – 4.30	30 min	Workshop Evaluation and Close

1. Introduction

Time:	1 hour
Resources:	Flip chart, markers, nametags, zop cards, Pre-Training Self-Assessment
Methods:	Paired introductions, plenary presentation and discussion
Objectives:	By the end of the session, participants will be able to: <ul style="list-style-type: none"> -Interact freely with one another. -List the objectives of the workshop.

Activity details:

Welcome the participants to the workshop. Introduce any visitors or observers and explain why they are attending.

Introductions: Ask participants to pair up with the people they least know. Each person will ask his/her colleague for their name, organisation, work they do, their likes and dislikes. Each participant will then introduce his/her friend to the rest of the participants.

Explain that this workshop is the first in a series of six. The workshops were developed in response to a comprehensive Joint Institutional Assessment with the ten participating NGOs. Six common issues were identified as a need among all the NGOs. The workshops are:

- Strategic Management
- Monitoring and Evaluation
- Human Resource Management
- Financial Management
- Resource Acquisition
- District Operations

Logistics: Introduce the idea of the classroom volunteers and the steering committee as explained below:

To help the facilitator with logistics and classroom management, participants will take turns serving as volunteers for the day. The team of volunteers will lead the recap at the beginning of the day, lead ice breakers after lunch, review the past day's activities and evaluation in the morning, and help keep time during breaks.

In addition, the volunteer team attends a **steering committee** meeting at the end of the day, to give feedback to the facilitator and workshop organisers. They solicit feedback on the workshop's methods and content, as well as logistical issues such as meals and lodging, from their fellow

participants and share it with the workshop organisers. In this way, the volunteers not only provide logistical assistance to the facilitator, but also give participants a voice in the management of the workshop. (*Note:* For the last day of the training, it may be preferable not to hold a steering committee meeting, or hold it during lunch, so that participants can travel home.)

Make announcements about logistical issues such as meals and out of pocket expenses. Go over the day's schedule.

Expectations and Objectives: Ask the participants to write their expectations for the workshop on zop cards. These will be collected and posted on the wall and grouped in different categories. Go through the expectations, identifying those that will be met and those beyond the scope of the workshop.

Present the objectives of the workshop to the participants and discuss issues of follow up of the participants after the end of the workshop.

Distribute the Pre-Training Self-Assessments. Tell participants that this assessment gives them a chance to reflect on their own learning. They will fill it in at the beginning of the workshop, and again at the end to see where they have learned new skills.

The Pre-Training Self-Assessment also gives the trainer a measure of how much experience participants have with the workshop topics, so that he or she can focus the workshop accordingly.

Finally, the Post-Training Assessment gives the trainer and course organisers a sense of how successfully the learning objectives have been met in the group.

Emphasise that this assessment is not a test of the individual's ability. No one except for the trainer and the UNASO representative will see the self-assessments; UNASO will not share them with the participant's organisation.

Note: Participants may be requested to fill out the assessment as they are entering the training room in the morning to save time.

Workshop Objectives

By the end of the workshop participants will be able to:

- Explain what strategic planning and management is.
- Plan for and take the lead in a process of strategic planning within their organisations.
- Describe the roles of the board.

Specific Session Objectives

By the end of the workshop, participants will be able to:

- Explain what strategic planning is.
- List the main benefits of strategic planning.
- Differentiate between vision, mission and strategies.
- Explain the importance of each of them to the organisation.
- Critique their organisation's mission statement.
- List the factors that should be taken into account when analysing the internal environment of the organisation.
- Apply different tools for analysing the internal environment.
- List the factors that should be taken into account when analysing the external environment of the organisation.
- Apply different tools for analysing the external environment.
- Identify their organisation's stakeholders.
- Predict future trends and challenges facing their organisation.
- Identify strategic choices open to their organisations.
- Develop operational objectives for the strategic choices.
- List the components of an acceptable strategic plan for their organisation.
- Discuss methods of effectively implementing a strategic plan.
- Differentiate between strategic management and managing the day-to-day operations of the organisation.
- Describe the roles and functions of the board of an NGO.
- Identify solutions for common problems that keep boards from functioning.
- Write an action plan for implementing strategic management in their NGOs.

2. Overview of Strategic Planning

Time:	1 hour 30 min
Resources:	Exercise 1, transparencies, flip chart, markers
Methods:	Brainstorming, buzz groups, discussion, exercise, lecture
Objectives:	By the end of the session, participants will be able to: -Explain what strategic planning is. -List the main benefits of strategic planning.

Activity details:

Begin by finding out what participants know about strategic planning. Acknowledge that there are some people in the room who have gone through a strategic planning process with their organisations. Invite them to be resources for the group and share their experiences. Ask:

? *What is strategic planning?*

Relate contributions from participants to the following information, shown on transparencies.

Strategic planning is the process of determining:

- **What** your organisation intends to accomplish.
- **How** you will direct the organisation and its resources toward accomplishing these goals over the coming months and years.

Such planning usually involves fundamental choices about:

- The vision, mission and goals your organisation will pursue.
- Whom you will serve.
- The kinds of programming or services you will offer.
- The resources needed to succeed – people, money, expertise, relationships, facilities, etc.
- How you can best combine these resources, programming and relationships to accomplish your organisation's mission.

Operational planning on the other hand is what NGOs do when they develop yearly work plans and budgets (narrower in scope than strategic planning and focuses on a shorter period). Strategic planning is used to chart the longer-term direction and goals for your organisation, while operational plans are developed to show how in the coming year, your organisation will move toward the future described in the strategic plan.

In summary, strategic planning is the process of developing a shared vision of your organisation's future, and the major steps you will take to move the organisation in that direction. Such planning helps the organisation to find the best match among its mission, its capabilities and its opportunities. A lot of time in NGOs is spent on activities that do not fit into any identifiable goal. Serving meetings, liaising with other bodies, public relations, and meeting requests for information all make it easy for the organisation to be distracted.

The illustration below shows that NGOs should look at:

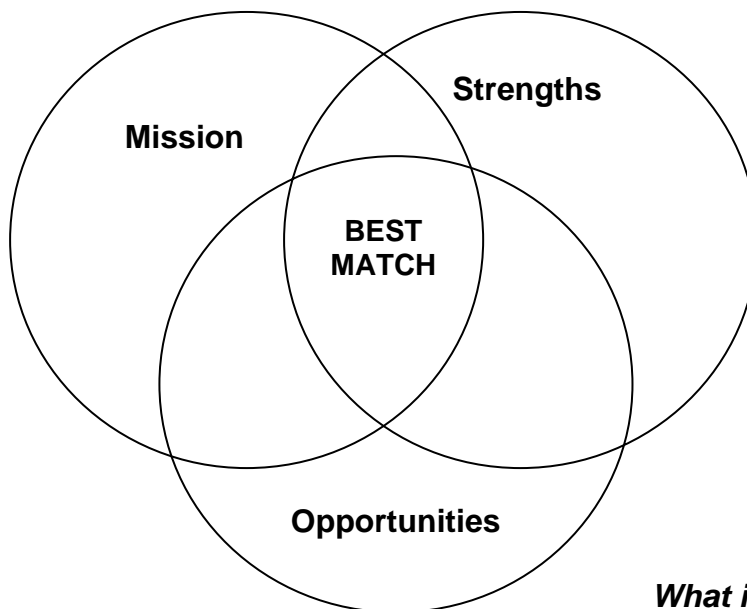
- their mission.
- their organisation's internal strengths.
- the opportunities coming from outside the organisation.

Then the NGO can discover where there is a match between these three things. This place is where the NGO should focus its time and energy.

Best Match between Mission, Capabilities and Opportunities

What you hope to accomplish

What you are capable of



What is needed and feasible in your service area

Because the world changes too quickly, you cannot develop a perfect strategic plan. Most organisations use their strategic plan to get the general agreement on where the organisation should be headed, along with major steps or paths to get there. Most organisations formally adjust their plans regularly, making changes as they learn what works and what does not work.

Ask participants to form buzz groups and answer the following question:

? *What are the benefits of strategic planning to the organisation?*

The following reasons have been given to support strategic planning for NGOs:

Improved results: Studies have consistently shown that visioning, planning and goal setting can positively influence organisational performance. Having a clear plan for the future and periodically monitoring progress can also contribute to a greater sense of purpose and accountability.

Momentum and focus: Some organisations are so preoccupied with day-to-day pressures that their organisations lose all sense of mission and direction. Good strategic planning forces future thinking and refocuses and re-energizes a meandering organisation. The constant rate of change and consequent uncertainty mean the organisation cannot stand still. There is therefore a need to decide what the organisation is about, and to determine what is and what is not a priority for the limited resources that exist. Changes in legislation, new funding, short term priorities and new ways of working mean that the organisation can easily become reactive to external events and be pulled into activities that do not fit with the rest of the organisation or are a departure from original ones.

All organisations are moving to a direction even if they do not know it or have not planned it. Although we cannot usually control the details, the organisation is moving, and it is better to chart its path than to let it happen by accident.

Problem solving: NGOs sometimes face a web of problems and opportunities, which are hard to address one by one. Strategic planning is a way to resolve an interrelated set of issues or problems in an intentional and co-ordinated manner.

Teamwork, learning and commitment: Strategic planning provides an excellent opportunity to build a sense of teamwork, to promote learning and to build commitment across the organisation and with key stakeholders. As a clear direction develops for the organisation, people usually become committed to this direction if they have significantly contributed towards forming it and can connect with it personally. For example, in discussing the history, current situation and future options of an organization, people learn from the ideas and perspectives contributed by others. Participants often come to understand more clearly how their own work meshes with that of others.

Communication and marketing: A good strategic plan can be an effective communication and marketing tool. Some funders ask whether an organisation has a strategic plan in place as a requirement for continued support.

Making the case for the organisation: Some voluntary organisations suffer from a credibility gap. A strategic plan helps the organisation to demonstrate that they will be reliable partners. It helps an organisation to value itself more and be more “assertive” with the outside world.

In the 1960s and 1970s organisations invested heavily in planning and producing comprehensive 10-year documents that became out of date by the time they left the printers. Our capability to predict the future accurately is limited. What is more important is helping the organisation to clarify its long-term goals and explore future possibilities. The process is more important than the product. There is a real danger of voluntary organisations losing a long term perspective, becoming driven by short term

demands and only dealing with what is urgent rather than what is important. More and more, managing is about accepting uncertainty, but having the confidence to chart a long-term direction.

Distribute the handout for **Exercise I**.

Ask participants to work with colleagues from their organisation. They should read the series of statements together and decide whether or not each one applies to their NGO. Give the groups 10 minutes to work.

When the groups are finished, ask:

How many of these statements apply to your organisation? Did any group find that none of the statements applied?

Wrap up by pointing out that answering “yes” to any of these statements may indicate a need for strategic planning.

Note on Group Work:

This workshop addresses sensitive issues of an organisation’s management in a mixed group of NGOs, some of which may be each other’s competitors. In exercises in which participants work with a partner from their own NGO, they may not be comfortable sharing confidential or damaging information about their work. To process the exercises, ask broad questions that do not force participants to discuss internal issues that they prefer to keep private.

Exercise 1

Is there a need for strategic planning?

The following statements were made by a group of managers about to start a strategic planning process.

With colleagues from your organisation, read each statement and decide whether it describes your organisation.

Statement	Yes	No
“The need for our services is growing fast, and the resources to meet the needs are declining. We are in danger of becoming a crisis ‘first aid’ service.”		
“There is disagreement among the stakeholders about our approaches to service delivery.”		
“I find it difficult to explain to outsiders what the organisation is for.”		
“We have grown far too fast. Some parts of the organisation are now disconnected from each other.”		
“We are drifting. For the past few years all our energy has been spent on keeping going. We need to establish a new direction.”		
“We need to establish a common sense of purpose and direction that will hold the project together.”		
“We could be criticised for trying to be all things to all people. We need to sort out our identity and make priorities.”		
“We have been so busy managing that we have missed several opportunities to develop new initiatives.”		
“We are in danger of becoming complacent and inward looking. We cannot assume that what we are doing now will be the same in two years.”		

If you answered “yes” to any of these statements, then your organisation may need to develop a strategic plan or revise its existing plan.

The Strategic Planning Process

Ask participants:

? *What are the steps in the process of strategic planning?*

Clarify the purpose and mission of the organisation. Ensure that there is a clear sense of direction and agreement about core values that unite the organisation.

Gather information: Analysis of Strengths, Weaknesses, Opportunities and Threats (SWOT)

SWOT analysis is an attempt to take stock of the organisation to date:

- Current activities
- Financial and management performance
- External environment
- Future trends

Use the gathered information to make key assumptions and strategic choices.

Develop and plan an achievable strategy. This process is about making realistic choices about the future and creating a coherent plan.

Conduct feasibility planning: make sure that you can achieve the plan and meet its costs.

Show that the organisation can carry out the plan (systems, structures, skills needed to impact the plan).

Starting the process

? *Who should be involved in strategic planning?*

The process by which the plan is developed and prepared has a critical impact on its successful implementation. People who will be affected by the change should be involved in the process as soon as possible.

It is wrong to assign the process of developing the plan to a few select people (task force) to do it alone without active involvement of others. Consultation and involvement of many people may make the process difficult to manage and can lead to longer meetings and delays. The way out is to think of having **three levels**:

- 1) Setting out boundaries and criteria for the plan. Board and managers need to agree on the mission and core values and set a broad organisational context for the plan.
- 2) Direct input from front line workers and volunteers. People working in the organisation should be able to contribute to and participate in the “big picture” discussions about mission

and values. Once this has been set, they should then be able to build specific plans for their units or departments in the light of the overall direction.

- 3) Team-working both inside and outside the organisation. Groups of staff, users and committees can work together to carry out specific aspects of the process such as identifying future trends or exploring possible future scenarios.

Managers need to ensure that what they produce is in line with the overall strategy of the plan, and that it is realistic, challenging and achievable. It might be a good idea to involve people who do not directly work in the organisation. Users, supporters and even funders might bring valuable insight and perspective to the planning process.

PLANNING STEPS

STEP 1: Getting Organised

Step one involves:

- Noting why you are planning and any concerns. First, note the benefits you anticipate from planning, e.g. solving a growing financial problem, improving on your organisation's effectiveness, etc. On the other hand you may have concerns about how to organise the planning process, availability of time, etc.
- Selecting a steering group or person to keep the planning on track – outline the major steps and note who will be responsible for facilitating or leading each step.
- Determining if outside help is needed – if you have never developed a strategic plan before, you may need some guidance. The first plan you develop should be kept relatively simple.
- Outlining a planning process that fits your organisation – the process you will use should be realistic in terms of the time, staff, board and others to be involved. If it's not, make adjustments before you proceed.
- Decide the number of people and groups that will be involved. Engaging wider groups in the planning can contribute significantly to the quality of the plan and the support you receive from others, but note that such involvement usually adds time, expense and complexity.
- Getting commitment from the key people to proceed – don't staff the planning process before obtaining the commitment from the board, executive director and key staff.

STEP 2: Situational Analysis (Taking Stock)

A strategic plan must include a realistic assessment of the following:

- The vision and mission of the organisation.
- Basic management information about the performance of the organisation.
- A critical appraisal of the organisation's strengths and weaknesses.
- A review of likely future trends and scenarios.

Good strategic planning needs to include some evaluation of the organisation as it is now. It is quite often hard to take stock of how the organisation has developed to date, its current performance and significant factors that might affect its future. Often people working in the organisation can be so close to it that they have difficulty seeing it objectively. Changes often happen gradually over time and

are observed without conscious thought.

3. Clarifying the Vision & Mission of the Organisation

Time: 1 hour

Resources: Exercise 2, transparencies, flip chart, markers

Methods: Brainstorming, buzz groups, exercise, lecture

Objectives: By the end of the session, participants will be able to:

- Differentiate between vision and mission.
- Explain the importance of each of them to the organisation.
- Critique their organisation's mission statement.

Ask participants to brainstorm on their understanding of the terms “mission” and “vision” through answering the following questions:

- ?** *What do you understand by the term “vision”?*
What do you understand by the term “mission”?
How are they different?

Summarise the contributions made by the participants through a short presentation using transparencies.

Vision

An organisation's vision is its view of how it would like the world to be (better than what it currently is). Visions are expressions of ideals and may not be attainable in one's lifetime. This is the shared picture of the future you seek to create. It is the reason why the organisation was established and why it continues to exist. What does it want to change or protect? What makes it distinctive from other organisations? The vision should not contain process words (such as “improve” or “eradicate”); it should describe an ideal state in which the problem your organisation hopes to solve no longer exists.

Importance of Organisational Vision:

A shared vision is often the initial force that brings people together for collective action. Voluntary development work is often difficult, poorly paid, and results are sometimes invisible. A clearly articulated vision can provide the commitment, energy, momentum and strength to individuals

working in the organisation. A shared vision can also help bind the organisation together during times of crisis, and provide an incentive to work through internal conflicts.

Mission

This is a brief statement of the overall purpose and values of the organisation. It is the reason why the organisation continues to exist. A mission statement should be a long-term statement of intent that follows on from the original vision that inspired the organisation. The mission is the driving force behind all activities. The same vision can be pursued by different organisations with different missions.

? *Why should an organisation have a clear mission statement?*

All people in the organisation should have the same sense of purpose and vision. The mission sets out the long-term perspective of the organisation.

- It can create unity around a common vision and identity.
- It guides an organisation's leaders in major policy decisions about alternative courses of actions. It defines what the organisation will do and what it will not do.
- It makes it clear for insiders and outsiders what the organisation is about.
- It creates an overall sense of purpose from which strategy and action can follow.
- It provides meaning and motivation since it can help all staff see how their work contributes to the attainment of the vision.

It is not unusual to find different people in the organisation having different ideas about what is important and what the priorities of the organisation should be.

Ask participants to share some of their organisations' vision and mission statements, and discuss with the group whether or not they meet the definitions given. This activity is helpful as a way of checking whether (1) participants can state their mission, and (2) whether they understand the definitions of the two terms.

Give participants the handout for **Exercise 2**. Ask them to work with a colleague from their NGO to complete the worksheet.

Exercise 2

Working out a Mission Statement

1) With a colleague from your organisation, briefly note your answer to each question.

Question	Responses
Objectives: What are the objectives and purpose of your organisation as set out in the constitution?	
Original vision: What was your organisation's original vision, purpose or function?	
Changing circumstances: How has your vision changed? What parts of it are still relevant?	
New requirements: What needs to be added to bring it up to date?	
Central purpose: What should be the overriding purpose and direction?	
Rationale for continuing: Why does the organisation continue to exist?	
Current values: What values hold the organisation together?	
Identity and position: What should be the organisation's identity? How does this relate to other organisations fulfilling similar or complementary functions?	

2) Next, critique your organisation's mission statement in light of these questions.

Does the mission need revision? If so, make a list of recommendations for how to revise it.

Alternative Exercise:

If participants are having difficulty with the concepts of mission and vision, the following exercise can help to clarify the terms.

Distribute **Exercise 2A**. Ask a participant to read the story of “The Young Man and the Starfish” aloud.

Then ask participants to form 3 or 4 groups. Give the groups 10 minutes to complete the following task:

Imagine that the young man in the story is a member of an NGO. Write a vision and a mission for his organisation.

Ask each group to share the vision and mission they have drafted, and write them on a flip chart. Compare the statements and discuss why or why not each meets the criteria for a good vision or mission. Discuss the differences between the two.

Many answers are possible, but here is one example of a “good” vision & mission for this exercise:

Vision: A world in which no starfish dies on the beach.

Mission: To reduce the number of starfish dying on the beach by throwing them back into the water.

Note on Group Work:

Since participants will be doing several exercises in pairs with a colleague from their own organisation, be sure that for other group work, they are grouped with different people for variety.

Optional Exercise 2A: The Young Man and the Starfish

Read the following story:

A wise man was taking a sunrise walk along the beach. In the distance he caught sight of a young man who seemed to be dancing along the waves. As he got closer, the wise man saw the young man was picking starfish from the sand and tossing them back into the ocean.

“What are you doing?” the wise man asked.

“The sun is coming up and the tide is going out. If I don’t throw them in, they will all die,” replied the young man.

“But young man, there are miles and miles of beach with starfish all along it. You can’t possibly make a difference,” argued the wise man.

The young man bent down, picked up another starfish, and threw it lovingly back into the ocean, past the breaking waves.

“It made a difference for that one,” he replied.

Source: Joel Arthur Baker

Imagine that the young man in the story is a member of an NGO.

1. Write a vision for his organisation.

2. Write a mission for his organisation.

4. Situational Analysis (Internal Environment)

Time:	2 hours
Resources:	Exercises 3 and 4, transparencies, flip chart, markers
Methods:	Group discussion, exercises, lecture
Objectives:	By the end of the session, participants will be able to: <ul style="list-style-type: none">-List the factors that should be taken into account when analysing the internal environment of the organisation.-Apply different tools for analysing the internal environment.

Introduce the topic and then divide the participants into 4 small groups to discuss the following question:

? *What factors do you take into consideration when analysing the internal environment of an organisation?*

Ask representatives from groups to present in the plenary. Invite other participants to ask questions for clarification or to make other comments. To save time, after the first group has reported back, ask the second group to add only points that have not yet been covered.

Relate participants' responses to the following presentation.

INTERNAL ENVIRONMENT

An analysis of the internal environment of the organisation needs to be done by taking into consideration the following:

- Key strengths and weaknesses of the organisation.
- The extent of need.
- The quality of service.
- Estimates of how the services being provided will be developed.
- The needs and expectations of the beneficiaries.
- Financial resources.
- What it costs to operate.
- How your costs compare to other agencies.
- Financial income trends.
- Cost effectiveness in relation to outcomes as well as outputs.

A SWOT analysis is a useful starting point for the planning session. It enables you to analyse both the internal and external environment of your organisation.

Ask the group:

? *Who has conducted a SWOT analysis before? What is it and how is it done?*

Discuss different processes and uses for SWOT.

Strengths and Weaknesses: A clear understanding of the organisation's resources and capabilities – or lack thereof – is critical to developing a good strategic plan. Resources and capabilities can include staff, board, expertise, finances, relationships, facilities and any other resources necessary for accomplishing your goal.

People often spend time focusing on what they can do to overcome their weaknesses. However, it is often worthwhile to spend time on the strengths. Identify the crucial factors that lead to something being a strength. What does the organisation need to do to keep something as a strength and build on it?

To help participants get started, it may be helpful for them to think of “things you are proud of in your organisation” and “things you are sorry about in your organisation.” Explain that organisational strengths are the “prouds” and weaknesses are the “sorries.”

Distribute the handout for **Exercise 3**. Explain that in this exercise, participants will start by examining *internal* factors, the first part of a SWOT analysis. Ask participants to work with a colleague from their organisation to fill out the worksheet. Give them 20 minutes to work.

Process the exercise by inviting participants to share critical strengths they identified.

Exercise 3

SWOT Analysis (Internal Environment)

Instructions:

List the major strengths and weaknesses of your organisation as you see them.
Identify 4 - 8 of these strengths and weaknesses that will be most critical to your organisation's future success.

STRENGTHS	WEAKNESSES

Introduce **Exercise 4** on Portfolio Analysis. Distribute the handout.

Explain that it can be a useful exercise to examine your organisation's activities in terms of their value to the organisation. In the corporate world, value is measured primarily in financial terms. In the NGO/service organisation world, the value of an activity may also be measured in terms of how much the service is used by the community, or how successful the activity is at meeting its goals.

Ask participants to work with colleagues from their NGO to fill out the worksheet. They should group their organisation's activities or services in the four categories shown. Review the categories and explain their meanings. Give them 10 minutes to work.

When the groups are finished, ask what was useful and what was difficult about this exercise.

Exercise 4 Portfolio Analysis

Decide which of your organisation's services/activities fit under each of the four categories below, and list them in the appropriate box. A description of each category is found on the next page.

<p>1 STARS</p>	<p>2 STRANGERS</p>
<p>3 SAUCES</p>	<p>4 SOURS</p>

Stars are activities or services that are particularly strong and have new potential for growth. Stars are often dynamic, popular, and creative. Stars can often fall or turn out to be short-lived (shooting stars).

Strangers are new activities that take up resources but as yet produce little results. They are often new or innovative projects that might grow and become stars or fail and move into square 4.

Sauces are the reliable, safe services that have an extended position and provide a degree of security. They provide a solid base for the organisation.

Sours are the activities that take up resources and effort and produce little value in return. They are activities that are no longer relevant to the mission of the organisation. Often organisations have problems removing themselves from such activities.

Review the process

Process is the ways of working that an organisation has in place to meet its tasks. Do the structures, systems and ways of working help or hinder the organisation in meeting its goals? In looking at these issues, it is important that you keep in mind the mission of the organisation. The review has to be in the context of what the organisation stands for. It may also be important to involve others in this process. Users, partners and sometimes funders can provide a useful insight and stop the exercise from becoming one of self-justification.

Some important questions to ask while creating any strategic plan are:

- How does the way we are organised fit with what we want to do?
- Is the organisation flexible enough to respond to changes and uncertainties?
- Does the way we are organised 'fit' with our tasks and our values?
- Do all aspects of the organisation work together?

Analysis of the process may also entail looking at the **Seven Ss**:

S1: Strategy

- Does the organisation have a clear purpose?
- Is it future oriented?
- Do people in it understand its strategy?

S2: Structure

- Does the way that work is divided up make sense?
- Is the structure flexible enough?
- Does it allow good communication between people?

S3: Staff

- Are the right sorts of people in the right jobs?
- What sort of employer are we?

S4: Skills

- Do we have the right skills mix to develop the way we want to?
- Are there any current skills gaps in the organisation?
- How do we invest in the staff that we currently have?

S5: Systems

- Do we have sufficient management control over our resources?
- Do we know what things costs?
- How do we make decisions?

S6: Style

- What is our relationship to our users like?
- Do we present the kind of message that we want to?

S7: Shared values

- Are the organisation's shared values clear?
- Is there a clear agreement about what is important and how we work?

5. Situational Analysis (External Environment)

Time: 1 hour

Resources: Exercise 5, transparencies, flip chart, markers

Methods: Exercise, discussion

Objectives: By the end of the session, participants will be able to:

- List the factors that should be taken into account when analysing the external environment of the organisation.
- Apply different tools for analysing the external environment .

Introduce the topic and then divide the participants into 4 small groups to discuss the following question:

? *What factors do you take into consideration when analysing the external environment of an organisation?*

Ask representatives from groups to present in the plenary. Invite other participants to ask questions for clarification or to make other comments. To save time, after the first group has reported back, ask the second group to add only points that have not yet been covered.

Relate participants' responses to the following presentation.

In analysing the external environment of the organisation, the following factors need to be taken into consideration:

- The state of the organisation's clientele.
- New ways of working and new developments in the sector.
- New needs and new types of users.
- Developments in similar agencies and statutory provisions.
- Known factors that will require a response.
- Predicted failures and factors that would require the response.

The planning group should also look outside the organisation to examine major opportunities and threats. These might be related to the people the organisation serves, possible competitors and allies,

and other major forces (economic, political, social, cultural and technological), which could influence whether the organisation succeeds or fails.

Introduce **Exercise 5** and distribute the handout. Explain that they will now complete the SWOT analysis by thinking about external opportunities and threats to their organisation. Ask participants to work with a colleague for 15 minutes.

If participants have difficulty distinguishing between internal strengths and external opportunities, it may help to think of opportunities *within* an organisation as strengths. (For example, staff skills that have not yet been drawn upon.)

When the groups are finished, invite volunteers to share one opportunity they have identified.

Exercise 5

SWOT Analysis (External Environment)

List the major opportunities and threats that you believe your organisation will face in the next 2-5 years that may significantly influence whether it succeeds or fails.

Identify 4 – 8 of these opportunities or threats that are most critical to your organisation's future success.

OPPORTUNITIES	THREATS

EVALUATE DAY ONE:

Suggested evaluation activity:

Write the following on a flip chart and post it on the wall next to the door, with several markers:

How do you feel about today’s activities? Put a star somewhere between Unsatisfied and Satisfied to represent your feelings.

	Unsatisfied <<<	Satisfied >>>
Content		
Methods		

Ask participants to fill in their responses as they leave the training room.

6. Stakeholder Analysis

Time:	1 hour
Resources:	Exercise 6, flip chart, markers
Methods:	Exercise, discussion, lecture
Objective:	By the end of the session, participants will be able to: -Identify their organisation's stakeholders.

Introduce the session by asking:

? *What is a "stakeholder"?*

For an NGO, a stakeholder is a person, group or institution with interests in the organisation's services.

? *What are some different types of stakeholders?*

Write participants' responses on a flip chart. They may include: beneficiaries of services, collaborative partners, competitors, community groups, donors. Then help the class to group the responses according to the following categories:

Primary stakeholders are those ultimately affected by the activities of the organisation, whether positively (beneficiaries) or negatively (competitors or losers).

Secondary stakeholders are the intermediaries in the support/delivery process e.g. donors, implementers.

? *What is stakeholder analysis?*

This is the process of identifying the key stakeholders, making an assessment of their interests, and identifying those interests that may affect the viability or risks of the activities. A stakeholder analysis should be done at the planning stage of the project and as many stakeholders as possible should be involved or consulted when carrying out the exercise.

? *What are the benefits of stakeholder analysis?*

Stakeholder analysis enables people who are carrying out strategic planning for the organisation to assess the environment in which they will be operating so as to be able to negotiate and plan more effectively.

When conducting stakeholder analysis, it is helpful to identify:

- Appropriate forms of participation by the different stakeholders.
- Potential conflicts of interests between stakeholders to enable better assessment of project risks and ways of dealing with them.
- Attraction and relationships between stakeholders that may be developed to improve project support, ownership and co-operation.

? *When and with whom should stakeholder analysis be done?*

Stakeholder analysis should be done at the stage of planning for the programmes of the organisation, even though it may be recognised that not all the stakeholders may be identifiable at this stage. Even an incomplete result will enable assumptions to be made about the viability of planned strategies.

In principle, as many as possible of the identifiable stakeholders of the organisation should be involved in stakeholder analysis. This can have the advantage of identifying all probable stakeholders and developing required stakeholder information fairly quickly. It also can enable early and useful stakeholder bonding and co-operation.

Checklist for carrying out stakeholder analysis

There are 4 major steps for carrying out stakeholder analysis:

- 1) List all potential stakeholders, their interests and their probable impact on the services of the organisation. It is often useful to make a matrix of this information to enable effective analysis.
- 2) Assess how critical each stakeholder's interests are to the success of the organisation's activities.
- 3) Assess each stakeholder's relative power or ability to influence your services.
- 4) Identify the stakeholder-related risks and assumptions that are likely to affect your own activities.

Distribute **Exercise 6**. Ask participants to work with a colleague from their organisation to:

List their organisation's stakeholders. If time is short, ask them to list only 5.

Write down the interests each of these stakeholders has in their organisation.

Write down the potential impact each stakeholder could have on their organisation.

Give the groups 20 minutes to work. When they are finished, ask for volunteers to share some stakeholders they have listed.

Alternative exercise:

If time allows, the first part of this exercise can be carried out in mixed groups. Form 3 or 4 groups with members from different organisations. Ask them to list stakeholders that are common to most NGOs working in HIV/AIDS. Then have the groups report back and generate a common list on a flip chart.

7. Setting the Strategic Direction

Time:	1 hour
Resources:	Flip chart, markers
Methods:	Brainstorm, group discussion, lecture
Objectives:	By the end of the session, participants will be able to: <ul style="list-style-type: none">-Predict future trends and challenges facing their organisation.-Identify strategic choices open to their organisations.-Develop operational objectives for the strategic choices.

Introduce the session and divide participants into small groups to discuss the following question. Give the groups 10 minutes.

? *What changes can we predict in the external environment in which we operate that is likely to affect our work?*

A representative from each group will present the group's work and others will be allowed to ask questions for clarification and to make other comments.

Relate the groups' responses to the following short presentation.

Predicting the Future

Strategic management is about having a clear direction to steer towards and at the same time being able to respond to new developments and changes.

The following five categories are useful to consider in order to identify future trends:

- 1) **Changes in available resources:** What will happen to resources (human, physical, and financial) that we currently have?
- 2) **Changes in how we work:** How might the working methods and styles change? How will services change? What is new in the field?
- 3) **Changes in demands and needs:** What is our current user base? Will demand for our service go up or down?

- 4) **Changes in the political/economic arena:** What will be the impact of new regulations? What changes in policy direction and the state of the economy are coming?
- 5) **Changes in the environment:** What will happen to the other agencies with which we work? Will we co-operate or compete?

Looking outside at what others are doing, one might identify some of the following:

- Identify potential for joint working and co-operation.
- Discover what is unique about the service to help in marketing and fund raising efforts.
- Identify potential conflicts, most seriously for funds that may need planning for.
- Agree on a strategy that will respond to the external work.

After clarifying what the organisation is for, taking stock of its development to date and obtaining a clearer financial picture, the planning process can now move on to setting a strategic direction.

Ask:

? *What factors should guide the strategy that is chosen by an organisation?*

The following elements should be present in the organisation's strategy:

- Making decisions about priorities
- Linking current activities to future plans
- Setting a direction or a route for the organisation
- Obtaining resources for the new direction
- Managing change and setting objectives

Most organisations are designed to allow vertical systems of command and control. People at the top make decisions and plans that are transmitted down the organisation by managers and supervisors to the people who should then carry them out.

In many organisations, these levels do not link together well. People at the operations level feel frustrated that new initiatives from the top get in the way of the real work of the organisation. Any sense of strategy that links policy to the day-to-day work is missing.

Effective strategic planning and management requires good internal communication, good feedback and an ability to think about the whole of the organisation and not just specific departments.

Identifying strategic choices

A useful approach to identifying strategic choices is to start by posing options for the future:

- Should we grow, stay the same, or get smaller?
- What aspects of our work should we do more or less of?
- What geographical areas should we do more in or less in?
- What style of work should we do more of or less of?
- Which client groups should we target?
- Should we become specialists or more generalists?
- What alliances or relationships with others should we develop?

At this stage it is useful to bring into discussion the users' perspective and the organisations' mission. The focus needs to be on what the outside world needs and not just what feels comfortable for people in the organisation.

The list of options is normally more than the organisation can deal with. The following questions can be used as criteria for possible choice:

- What is distinctive about us as an organisation?
- Does this strategic option fit with our core mission and values?
- What are we effective at?
- What works?
- What do we consistently do well?
- Is our expertise best suited to this option?
- What are our priorities?
- What needs are more important to meet?
- Does this option fit with our priorities?
- Will this option be financially viable? If not, is it important enough to subsidise it?
- Will we be able to deliver?

Agreeing on a strategic direction involves constant reference to limiting factors and the overall mission.

Strategic Aims:

Strategic aims establish a sense of priority and direction for the organisation over the next period. They are a statement of key priorities for the organisation in the immediate to medium term. Everything the organisation does should be based on a sense of connected aims that set out an immediate direction for all aspects of the organisation.

Operational Objectives:

Ask:

? What is an “operational objective”? What makes a good objective?

Operational objectives are costed and timed plans on what the organisation will do under each strategic aim. They set out a work plan for the organisation. Objectives are the detailed work plan and action plans that will enable the organisation to implement its strategy. They should be SMART.

Specific

Measurable

Achievable

Realistic

Time-bound

Too often plans become a “wish list” of how we would like things to be in a perfect world. A good plan should take into account the realities of the organisation in its present situation. There is need to ensure that the plan is realistic and sets out clear steps for implementation.

Ask for a volunteer to give an example of an operational objective that an organisation might establish. Discuss how to plan for achieving the objective by listing activities, and their time and cost. For example:

Objective: To recruit new Board members who will be actively involved.		
Activity 1: Form nominating committee on the Board.	Time: At next Board meeting, March 23.	Cost: Transport for Board members to nominating committee meetings; 2 days per month of the executive director’s time to interact with the committee.
Activity 2: Conduct an orientation for new Board members on their roles and responsibilities.	1 day during May	1 day of trainer’s time to conduct orientation; Expenses for participating Board members transport and out of pocket; Use of venue for meeting.

Tell participants that they will practice setting objectives and planning activities in this format when they make their action plans at the end of the workshop.

8. Presenting the Strategic Plan

Time: 30 minutes

Resources: Flip chart, markers, transparencies

Methods: Discussion, lecture

Objectives: By the end of the session, participants will be able to:
-List the components of an acceptable strategic plan for their organisation.

Ask the participants whose organisations have developed strategic plans before to share with the other participants the main sections in the documents and their content. List these sections on a flip chart.

Summarise with a short presentation using transparencies (below) and allowing participants to ask questions for clarifications. Make it clear that not all the strategic plans should strictly follow the same format, but the main ingredients should be similar.

The suggested components to include in a strategic plan are listed and explained on the following page.

Structure of a Strategic Plan

<u>Section</u>	<u>Content</u>
Executive Summary:	Brief outline of the vision, mission, values and context. It should highlight the proposed direction, key benefits and make the case for the organisation. A one page, three minutes read is adequate.
Introduction and Mission:	The mission statement in full. Explanation of the purpose and duration of the plan (most voluntary organisations develop 3-5 year strategic plans with detailed objectives for one year).
Organisation's Background	A brief history of the organisation and its legal status. Include limited and useful information that would help the reader get a picture of it, e.g. user profile and areas of operation.
Summary Review:	A short review of the organisation to date. Stress strengths, achievements and external recognition to date. Readers may expect to see some honest appraisal of weaknesses. A SWOT analysis is normally used to display this information.
Future Trends:	An outline of how the organisation sees its future developing. Refer to likely needs of users. The plan needs to show that thought has been given to likely external developments.
Strategic Direction:	What assumptions underpin the chosen direction? What will be the main push of the organisation's work? What will be its main priorities? What will be different?
Strategic Aims:	Statement of aims for the medium term. The specific objectives for each aim could be listed or a brief summary of them given.
Implications:	Areas of work that will be dropped or phased out should be noted. Organisational, legal or any other key implications should be listed. Financial implications should also be captured (how will the plan be funded).
Track Record of the Organisation:	Making the case for the organisation. Showing it has the management competence and experience to manage the plan. A list of critical success factors should be included.
Immediate Action Plan:	Timed and costed activities for the first steps in the plan.

9. Managing the Plan

Time:	30 minutes
Resources:	Flip chart, markers
Methods:	Brainstorm, lecture
Objectives:	By the end of the session, participants will be able to: <ul style="list-style-type: none">-Discuss methods of effectively implementing a strategic plan.-Differentiate between strategic management and managing the day-to-day operations of the organisation.

Ask the participants to brainstorm on the following question:

? *What is the difference between strategic management and operational management?*

Write responses on a flip chart. Summarise with a short presentation using transparencies as follows.

Several organisations invest a lot of time in the planning process, produce strategic plans and file them away. It is forgotten until it is to be worked on again. There are three main reasons for this:

The plan never really dealt with the realities of the organisation. It was all about how people would like to be in a perfect world.

The process of putting together the plan never engaged the people who need to implement it. An external consultant who never created a feeling of ownership throughout the organisation may have driven the planning process. For successful implementation, a plan must be made a living document for everybody in the organisation.

The plan itself may be fine but the managers may not have the time and skills to manage the changes involved. Critical success factors that managers need to focus on must be identified. They are those things that the organisation has to get right if it is to meet the plan. They are key to the successful implementation of the plan. These factors are often a mixture of “hard” elements such as outputs, which are easy to measure and “softer” issues such as processes and working culture.

Monitoring the plan

The best test of the strategic aims and objectives is whether they can be measured and monitored. If it is too hard to measure, it implies that the objective is not clear. Implementation of the plan must be measured and monitored to ensure that the assumptions on which the plan was based are still relevant. The measure for strategic aims should mainly be on impact and outcomes.

Managing changes involved in the plan

Two types of change need to be managed:

First order change: Takes place within the existing structure and culture of the organisation.

Second order change: Requires profound change in how the organisation works (cultural change). Second order change often involves risk, considerable effort and sometimes anxiety and conflict. Strategic management is particularly difficult in NGOs because of the difficulty of dealing with activities that no longer fit the mission and aims of the plan.

Strategic Management

Strategic management involves the following:

- Making sure that everyone in and around the organisation understands the organisation's purpose and values.
- Ensuring that activities and projects connect together, that evaluation takes place, that progress is made towards the mission, and that aims are measured.
- Making sure that the organisation keeps in touch with development in the outside world. New needs, trends and opportunities are predicted and responded to.
- Ensuring that the structures, systems and skills of the organisation fit the task. The organisation is fit for its purpose.
- Managing the change that will affect the organisation. Increasingly the changes are not linear (getting from A to B) but are about managing uncertainty, where change is likely but the details are not clear.
- Co-ordinating and organising forward planning, identifying strategies and contingencies.

10. Key Success Factors: Board Governance

Time: 1 hour 30 minutes

Resources: Flip chart, markers, zop cards

Methods: Group work, discussion, lecture

Objectives: By the end of the session, participants will be able to:

- Describe the roles and functions of the board of an NGO.
- Identify solutions for common problems that keep boards from functioning.

Introduce the session by explaining that the board has a key role to play in strategic management.

Ask participants to pair up with someone sitting near them and brainstorm for 10 minutes on the following question:

? *What are the main roles and responsibilities of the board of an organisation?*

Go around the room and ask each pair for one role, listing them on a flip chart. Each pair should add an answer that has not yet been contributed. Keep going around until no more new answers are found.

Compare answers to the following:

Role of the Board¹

Roles look at how the board relates to the organisation. The role of the board is essentially threefold:

- They provide leadership by setting organisational policies and strategies.
- They hold the organisation accountable for achieving strategic objectives.
- They serve as the principal guardians for the organisation's welfare.

¹ This session was adapted from the *Ntinga MSP Board Governance Training Manual*, World Education.

Functions of the Board

The functions of the board are activities that the board needs to take on in order to play its roles. The board is a bridge between the organisation and the society in which it operates. The board's main job is to ensure that the organisation is adequately supported by its environment and resources and that the organisation's performance justifies that support.

The job of the board member is basically the same for all organisations. It consists of 6 key performance areas as outlined below.

Key Performance Area 1 DIRECTING	
Task A: Determining the organisation's vision, mission and policies	The Board needs to ensure that all the stakeholders understand the organisation's reasons for existence. The Board should ensure that the organisation has a statement of what it represents, what it does and how things should be done and should periodically review these for adequacy, accuracy and validity.
TASK B Determining and monitoring the organisation's programmes and services	The Board should constantly question whether current and proposed programmes and services agree with the organisation's purpose and available resources. With limited resources and unlimited demands on them, the Board must prioritise and select the best option. The Board should monitor and oversee by ensuring quality and cost effective programmes and services and allow staff to conduct and manage these programmes and services. Indicators of success to be monitored by the Board include: Client growth Cost per client Client satisfaction Fundraising income etc.

Key Performance Area 2 PLANNING	
TASK A: Ensuring effective organisational planning	The Board should be extensively involved in the strategic planning process as well as monitoring and evaluation. Board members are responsible for making final decisions and assessing the quality of outputs.

Key Performance Area 3 PERFORMANCE MANAGEMENT	
TASK A: Selecting the head of staff (Executive Director)	The Board is responsible for selecting an effective Executive Director. It has to ensure that he/she has a supportive working environment.
TASK B: Supporting the Executive Director and reviewing his/her performance	The Board should ensure that the Director receives regular constructive feedback on his/her performance.
TASK C: Assessing its own performance	From time to time the Board should assess whether it is meeting its responsibilities. It is important that the Board evaluates reasons for success or failure and discusses ways of improving performance.

Key Performance Area 4 ORGANISING	
TASK A Ensuring adequate resources	Providing resources is the Board's main responsibility. The Board determines what is possible to achieve with the available resources.

Key Performance Area 5 CONTROLLING	
TASK A Effectively manage organisational finances	Ensuring that income is managed properly and expenditure controlled. The Board is responsible for approving and monitoring the annual budget. The Board requires regular financial reports.
TASK B Serve as a court of appeal	Responsible for resolution of disputes. The Board may need to intervene on personnel issues, approving policies and procedures.

Key Performance Area 6 FUNDRAISING AND PUBLIC RELATIONS	
<p>TASK A</p> <p>Enhance the organisation's public image</p>	<p>The Board is a link between the organisation and the external environment.</p> <p>Clear and publicised achievements, contributions to the community and explanations of how financial resources are used are important aspects of public relations for NGOs.</p> <p>The Board should elect a spokesperson who is authorised by the organisation to communicate with the public.</p>
<p>TASK B</p> <p>Fundraising and income generation</p>	<p>With support of a good public image and productive staff, Board members are able to carry out the task of fundraising and income generation.</p>

Common Problems and Solutions for Boards

Next, distribute zop cards. Ask each participant to write down one or two common problems that often keep boards from fulfilling these roles and responsibilities. Give them 5 minutes.

Take up all the cards, mix them up, and redistribute them randomly to participants. Ask participants to read out the problems listed on the cards, while they are written on a flip chart.

Answers may include:

- Non-attendance of meeting.
- Membership on too many boards, not having adequate time to give to each one.
- Lack of transport and funding for board members to attend meetings.
- Conflicts of interest (for example, an organisation awarding a tender to a board member's company).
- The "Big Name Syndrome" – members are recruited because they are well known and influential, but consequently they do not have time to spend on their responsibilities to the organisation.
- Board members not understanding the mission of the organisation.
- Difficulty of communication with board members; lack of email, letters not reaching them.
- Founders who take over too much control of the board and organisation and treat it as their personal project.
- Lack of transparency.
- Lack of interest.
- Lack of skills.
- Serving long terms or too many consecutive terms.
- Board members serving dual roles as executive committee members, program managers, etc., sometimes because of a lack of funding for enough program staff.

Ask participants to volunteer **solutions** for each of these problems. Possibilities include:

- Non-attendance: Realistic scheduling of meetings; consider whether the location is easily reached by members; allow adequate advance time for invitation letters. Have a clear agenda and purpose for the meeting so that members feel that their time is used well.
- Membership on too many boards and the Big Name Syndrome: Establish member selection criteria, which should include "strong interest in the organisation and availability."
- Lack of facilitation for meeting costs: Put funds for this into the budget of the organisation.
- Lack of understanding of the mission of the organisation: Offer training and orientation to the board. Send out periodic newsletters or updates.
- Lack of Skills: Offer the board training on their responsibilities. Conduct a skills audit of board members and help match up each member with appropriate duties.
- Serving long terms: Make sure that the constitution of the organisation states reasonable term limits. (2-3 years is considered a good balance between stability and stagnation.) Start a "patron" program so that long serving board members or founders can move into a different role with dignity and still play a part in the organisation, while making room on the board for new members.

11. Action Planning

Time:	1 hour
Resources:	Flip chart, markers, Exercise 7
Methods:	Exercise, discussion
Objective:	By the end of the session, participants will be able to: -Write an action plan for implementing strategic management in their NGOs.

Begin the session by checking whether participants feel the learning objectives of the workshop have been achieved.

Ask participants to stand in a line along the wall of the training room. Refer them to the main goals of the training, which should still be posted on the wall:

By the end of the training, participants will be able to:

- **Explain what strategic planning and management is.**
- **Plan for and take the lead in a process of strategic planning within their organisations.**
- **Describe the roles of the board.**

Go through the goals one by one. Tell participants to stand toward one side of the wall if they feel confident that they have achieved the goal and toward the other side if they do not feel confident. They should place themselves anywhere along this “continuum” that represents their feelings.

When they have formed a line for the first goal, call on a person standing near the “confident” end to explain what strategic planning is. Ask a person standing at the other end why he or she does not feel confident, and what else they would like to do in order to achieve the goal. Repeat for each goal.

Action Plans:

Distribute **Exercise 7**. Introduce the purpose of the UNASO action plan.

The action plan is intended to help UNASO’s partner organisations apply what they have learned about strategic management to their own organisations. Workshop participants from each organisation will draft an action plan during this session. UNASO will receive a copy. The workshop participants will share the plan with colleagues at their organisations. They will begin implementing the plan. The plan will help the organisation, the workshop trainer and UNASO to track progress on implementing what they have learned in the workshop. When the trainer visits the NGO for the consultancy clinic, he/she will discuss their progress on the plan.

Ask:

? *Why is it helpful to make an action plan?*

Action planning is important for the following reasons:

- It breaks down a large, complex and potentially overwhelming objective such as developing a strategic plan into manageable, concrete activities.
- It helps them think about what can be realistically achieved with their resources and staff.
- It helps them decide what additional resources are needed.
- It sets specific responsibilities and deadlines.

Go over the headings in the worksheet for action planning and explain what each means.

Ask participants to work with a colleague from their organisation to complete the plan. Give them about 30 minutes, as time allows. If plans are complete at the end of the session, take them up to make photocopies for UNASO, then return them to the NGOs before they leave. If not, ask participants to bring copies of their plans to the consultancy clinic.

To conclude, ask for a volunteer to name one objective they have included on their plan. Ask in general what this process was like for them.

Exercise 7 Action Plan for Strategic Management

Name of Organisation: _____

Activity	Who	When	Resources Needed

Evaluation and Close

Time: 30 minutes

Resources: Flip chart, markers, Post-Training Self-Assessment, Workshop Evaluation, Certificates of Participation

Distribute the Post-Training Self-Assessment form and the Workshop Evaluation form.

Remind participants that this is the same Self-Assessment that they filled out at the beginning of the workshop. Ask them to fill it out again so that they can reflect on what topics they have learned about, and what topics still need more time. If desired, you may give the participants back their original Pre-Training Self-Assessments so that they can compare their results.

Ask participants to fill out both forms. Give them about 15 minutes.

When participants are finished, ask for someone to share an area in which they have increased their understanding. Ask what helped them to learn these new knowledge/skills.

Then ask if there are topics about which participants did not increase their understanding. Ask what more is needed to help them master these topics.

Collect the self-assessment and evaluation form.

The UNASO representative should close the workshop by giving out certificates and thanking the trainer.



THE REPUBLIC OF UGANDA



USAID
FROM THE AMERICAN PEOPLE

