

Cardiff Third Sector Council

Your local county voluntary council



2. Running your organisation

2.1 Developing a strategic plan

What is strategic planning?

Strategic planning is about planning the long-term development of your organisation, usually 3 to 5 years ahead. It's about anticipating and managing change.

What's the point of planning?

You may think you're too busy in the present to plan for the future, but don't assume everyone in your organisation has the same idea of what you should be doing and how to do it. And don't assume your external circumstances will always remain the same. Plan so that you all know what direction you're heading in, and how to find the best route to take you there. For this reason it's important that your planning process ends us with some form of written plan, which shows how you intend to make progress towards your aims over a period of time.

Planning helps you work out:

- A clear sense of purpose for your organisation;
- the key objectives to your work;
- your priorities;
- what resources you need – e.g. money, personnel, work space, skills, equipment – and how to use them most effectively;
- ways to secure the resources you need;
- how to anticipate change and avoid crisis management;
- how to monitor and evaluate your work;
- how to be proactive rather than simply reactive.

When to plan

- When you start out;
- when you want to expand or make major changes;
- when your external circumstances change – e.g. policy changes that affect you, funding cutbacks, the needs of your users change;
- 3 to 5 years after you made your last strategic plan.

Who should be involved in the planning process?

Ideally, everyone – staff, volunteers, management committee members. If they're all involved, they're more likely to be committed to the plan and to agree on work

priorities. But for a large organisation, this may not be feasible, so a smaller group should take responsibility for the planning process. If so, make sure that the group consults with everyone. Consulting with your users and external agencies too will increase support for your organisation.

The planning process starts with your mission statement.

What is a mission statement?

It's a brief statement of your purpose or aims. Ideally, a simple phrase which sums up what you're about. It should be based on the aims and objectives set out in your governing document (a registered charity's mission statement must be based on its formal charitable objects).

Your mission statement should say:

- what your organisation aims to do
- who benefits
- how you achieve your aims
- how you judge the quality of your work

It may also state the geographical area where you carry out your work (essential for charities).

Start your written plan with a one-page summary of the main points you want readers to remember. This should include your mission statement and a brief description of your organisation. You may also want to say how and why your organisation was set up.

The next stage is to assess your organisation

Thoroughly examine every aspect of your organisation – where it is now, how it's doing, its effectiveness, its internal and external circumstances. Use analysis tools such as SWOT (Strengths, Weaknesses, Opportunities and Threats) to carry out this assessment in a systematic way.

Write up the results of your assessment in the next section of your written plan.

Now work out your strategic direction

Using what you've learned from your analysis, set out the strategic direction for your organisation over the coming years.

Your long term aims should be detailed in your written plan along with:

- Your specific objectives and targets, which should be realistic and measurable;

- how you're going to achieve your objectives and targets;
- an assessment of any risk areas i.e. possible obstacles to your plan.

Financial considerations

Work out the financial implications of your plan. Now comes the figure work. Set out clearly the costs of achieving your aims and targets. It's essential that you provide a budget for the period of the plan.

You may also provide a cash-flow forecast and a fund-raising strategy if appropriate.

Monitoring and evaluation

Once your plan is in place you will need to periodically review its progress. You can then amend your aims and targets if necessary. You will need to monitor and evaluate:

Internal structures, policies and procedures – e.g. staff appraisal.

External aspects of the service you provide – e.g. record numbers of users and enquiries; get feedback on the quality of your service (encourage comments and suggestions, don't discourage complaints).

This information will be useful, not only for yourselves, but for prospective funders, for attracting new users and volunteers, and in getting support from the general public.

So the plan itself must show how you will monitor and review your strategy, and provide a timetable for the review.

Measuring Social Value

Demos has produced a lengthy but useful overview of measuring social value. It identifies six elements which together would constitute a SROI (social return on investment) calculation.

These are:

1. Outputs (eg 200 hours of training to 500 people)
2. Outcomes (eg 20 found employment as a result of the training)
3. Wider impact (eg office reduces energy use by 5%)
4. Stakeholder Participation (eg have outcomes been measured by consulting the stakeholders)
5. Measuring Distance Travelled (eg year on year comparisons we increased number of people finding work by 12% more than last year)
6. Finance Values (eg financial value of activity increase in employment has resulted in a £20,000 reduction in welfare benefits)

The report then applies this to many third sector and other organizations and finds that very few do all six.

The report is available here:

www.demos.co.uk/files/Measuring_social_value_-_web.pdf

Finally...

A strategic plan is a working tool and leads on to the Business Plan. The Business Plan is used to develop and communicate a plan of action that will achieve the organisation's strategic objective. Review and revise it as your circumstances change.

Further information

Charity Commission for England and Wales

Tel: 0845 3000 218

<https://www.gov.uk/government/organisations/charity-commission>

VolResource

www.volresource.org.uk

Disclaimer

The information provided in this sheet is intended for guidance only. It is not a substitute for professional advice and we cannot accept any responsibility for loss occasioned as a result of any person acting or refraining from acting upon it.

For further information contact

Cardiff Third Sector Council

Baltic House, Mount Stuart Square, Cardiff, CF10 5FH

Registered Charity: 1068623

Tel: 029 2048 5722

enquiries@c3sc.org.uk

Fax: 029 2046 4196

www.c3sc.org.uk

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Tel: 0300 111 0124
www.wcva.org.uk