



Board Papers

Guidance for Boards of Directors

Issue #9:

The Long View Planning for the Future, Part I - Introduction to Planning

plan n. 1. a method for making, doing or accomplishing something

2. a detailed scheme or method for the accomplishment of an object

3. systematic arrangement and design

plan v. 1. to formulate, to draw up, to make a plan. 2. to intend

The Need for Planning

We are often surprised by social, technological or political upheavals that appear suddenly and seem to change the very premises of our lives and work. We may feel unsettled by the rate of change we must contend with and by the unpredictability of events in our own lives and in the life of our community. How can we plan for the future when we don't know what tomorrow will bring? What challenges will the world present us?

At the same time that we are aware of rapid social and political change, we may be aware that there are deeper, slower and more profound changes in society and culture that we don't understand. It is in the context of shifting realities that we gather as affiliate boards and staffs to look ahead, to consider the long view of the affiliate's missions and programs, to consider what is best to do given the uncertainties we face.

Long range planning cannot aim at the elimination of risks and uncertainties. They will always be with us. Organizations use the planning process to set direction, to

lay out courses of action and to elicit cooperation from members around common, established goals. Planning occurs at various levels of an affiliate depending on its size and complexity, the attitudes of the executive, staff and board concerning its relative importance and many other circumstances. Planning may be "operational" (day to day), "short-term" (ad hoc to meet a specific priority), or "long range" or "strategic" (comprehensive and very forward looking). Very likely all these kinds of planning are done at your affiliate, but strategic planning is the special province of the board.

The planning process is used to develop a comprehensive approach to the organization's future. The process brings together:

- a recognition of the organization's history; a recent statement of the organizational purpose;
- the necessary data sets and judgments about the environment, the competition, the opportunities for growth;
- a recognition of the forces for stability and the forces for change;
- intimate knowledge of the organization's competencies and capabilities; and
- a recognition of what risks the organization is willing to take at this point in its development.

To be successful, planners also need a desire to get on with it, to move the organization into the future, and not just a desire to keep going as before. The staff know the organization's capabilities well enough to think deeply about its strategic direction. The board brings its knowledge of the community, its

passion for the mission, its comprehensive vision of the organization's role. A plan is created. The plan states the mission, the scope of operations and goals, and the actions required to fulfill its goals in the broad context of the affiliate's competitive environment. The plan is converted into work for which someone is responsible. Effective plans convert goals which may seem overwhelming and impossible into a sequence of tasks that are manageable and which can be evaluated.

The Pitfalls of Planning

Affiliate planning is not always successful. Sometimes the planning process repeats itself so often and so mechanically that it desensitizes the board and staff to the need for real change. In this case the planning process may program the affiliate more deeply into set patterns and allow only minor adaptations. The planning process chokes new ideas.

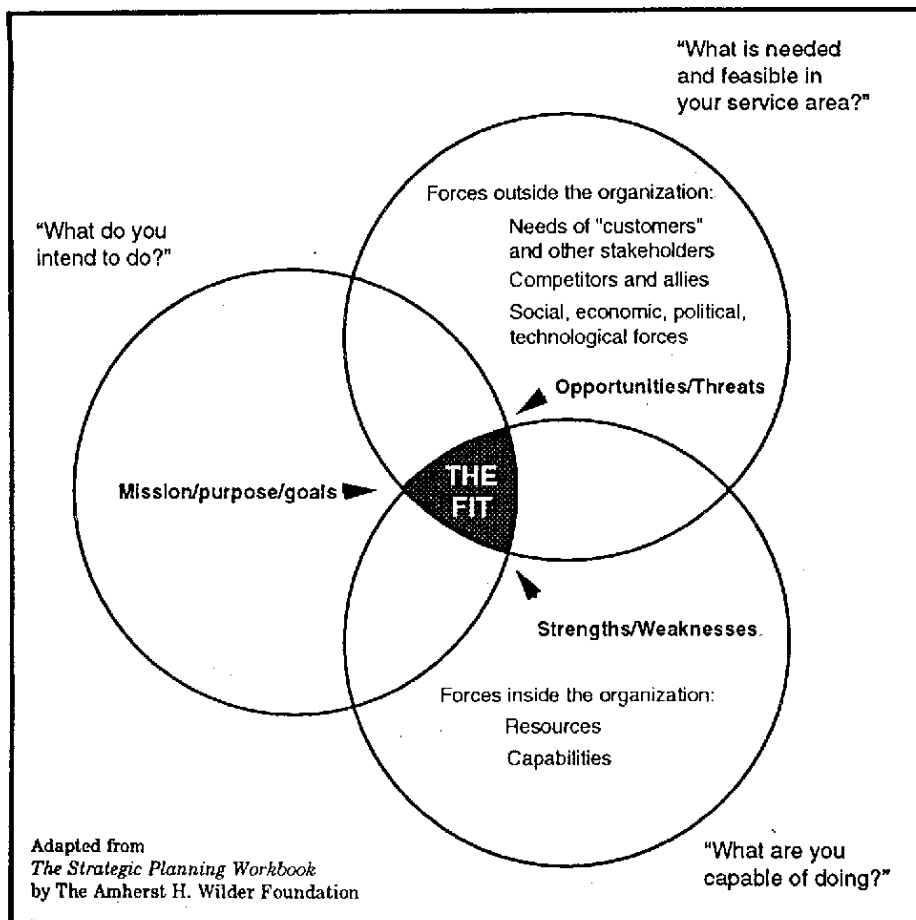
Sometimes the planning process has taken on a life of its own and does not provide the environment

"Planning can be a barren, boring numbers exercise unless it is supported by a system that regularly surfaces big issues and puts priorities against them and transforms them into causes people can commit to."

Robert H. Waterman, *The Renewal Factor*

and mechanisms for board and staff to debate the significant choices that may be required. Analysis of trends and statistics takes over from judgment, experience and honest debate.

Sometimes the plan is written



changes. Planning happens on a very small scale and on a large scale continuously as staff and board respond to situations and events. Decision-making moves constantly between narrow questions related to specific situations and broad ones related to the world we find ourselves in.

Learning means change. Change happens in a group setting when people discuss and modify their picture of the organization. To the extent that the new picture is shared among a majority of the agency's board and staff, the organization can move forward in an integrated way. To the extent that the picture allows room for such activities as developing new turf, serving new populations, or providing new services, the picture is an empowering one.

Planning as learning is hampered when managers think of themselves as responsible for specialized areas without considering the big picture or when the new picture of the organization is not widely shared. A successful organization encourages continuous learning and the changes that result. How does an organization learn and adapt? What is the role of the board in the planning and learning process?

How does an organization learn and adapt?

de Gues notes that the institutional learning process is one of developing a shared language and a shared picture of the organization. As those involved in planning make their understanding of the organization and its environment explicit, the shared picture of the organization changes. Mark Salo, Executive Director of Planned Parenthood of San Diego and Riverside recommends "interviewing the organization," that is discussing the organization and its future with many members of the organization and compiling from these interviews a long list of opinions and recommen-

completely by staff with each division allowed to develop its own priorities. The board makes minor, if any, modifications.

Sometimes the board planning process assumes a knowledge of the organization which board members simply do not possess. As one affiliate board member remarked, "Nobody on the board understands the business and the staff is reluctant to help us understand."

Sometimes the planning process seeks to overlay a rigid model of development on a program which is new, untested, and full of surprises. Because the program is not successful in terms of the plan, it may be discarded even though the benefits are great, though different from those specified in the plan.

Sometimes the plan is created without any attempt to scan the environment for changes in demographics, competition or customer needs.

The planning process, in both the corporate and the nonprofit world, is often unsuccessful. Meanwhile the world continues to change, sometimes slowly, sometimes in dramatic shifts. The organization that lacks an effective planning process moves out of sync with its environment and fails to move forward. In this issue and the next we will offer some guidance on making the planning process work for you.

Planning as Learning

Arie de Geus, former head of planning for Royal Dutch/Shell has written, "We think of planning as learning." Every person and system is learning continuously. Board and staff develop knowledge of the environment and knowledge of the organization all the time. Learning is funneled into the planning process when leaders absorb what's going on in the internal and external environments and make appropriate

dations from which strategic planning questions are developed.

In addition to gathering information from the internal environment, affiliate staff will want to be aware of demographic, economic and political trends that affect the agency. The Executive Director will want to be

"I think it is very easy for any organization to do its planning by looking inside of itself and meeting its own needs. That is to be avoided, especially in an organization with as important a mission as Planned Parenthood. We have to look outward at the needs of the community first, even before we interview the organization in my estimation. What do the people out there need and want from us? We need to think creatively and strategically, to aim high, and to use hard data in our analysis of community needs and our ability to meet them. All of this takes considerable commitment, competence, and courage.

Gloria Feldt, Executive Director,
Planned Parenthood of Central and
Northern Arizona

sure that hard data relative to programs and options are considered.

At any point in the process, planners will want to be aware of three things:

- the specific agency mission
- a sense of the specific skills, competencies and resources the agency needs to do its work and a sense of how many of those resources and skills are currently available
- a sense of priorities. There is a great deal more to be done than there are resources to do. What's important?

Strategies become effective when they become collective, that is when they are shared in such a way as to guide the behavior of the organization at large.

What is the role of the board in the planning and learning process?

All board work is planning in the sense that board work is strategic thinking. Much that is written about strategic thinking (and about the board planning process) depicts it as a deliberate process: first we think, then we act; we formulate and then we implement. It doesn't always work this way. Strategy can be organized in response to an evolving situation or it can be brought about deliberately through a process of formulation followed by implementation. Board work encompasses both kinds of strategic thinking. The board and staff manage a process in which strategies can emerge as well as being deliberately conceived.

The board's role, together with senior staff, is to:

- reaffirm the values of the agency
- discuss and acknowledge internal and external changes
- affirm current programs which are useful and fulfill the mission
- decide which are the opportunities where doing something new and different is likely to have the greatest results

The board can bring a valuable perspective to the planning process by:

- Ensuring the integration of all programs into one picture of the agency. Does the education program receive a disproportionate share of the budget? How are public affairs activities affecting the time of senior staff?
- Detecting discontinuities that may undermine the business in the future. How will proposals for health care reform affect our organization? Our ability to be paid for services rendered?
- Running new ideas through the test of personal commitment. Do we believe in the idea? Do we want to be that kind of people? Do we want to do that

kind of work?

At best, the board sees the work of the agency in a historical context as well as a community context. The board understands the mission the agency was founded to address, how the agency has responded to that mission over time and how it might respond in the future. At best the Planned Parenthood affiliate board is also aware of the agency's role in the community as a medical provider, a social welfare organization, a social service organization, and political player and can facilitate integration of these roles in determining how best to allocate the agency's resources.

Other Benefits of the Planning Process

The planning process has several benefits besides that of creating a written document.

Planning is communicating

Organizations are not led by written documents, they are led by teams of individuals with different perspectives of the work. The process of struggling with the complexity, messiness and conflict inherent in planning provides a level of understanding more important than the final plan itself. The value of the process comes from the shared understanding of the organization's mission and the factors critical to achieving success. Staff and board working on the plan each have deep personally-held assumptions about the agency, the world in which they operate and their own roles and values. If these strongly held but unstated assumptions are not identified and debated, the day-to-day actions of the staff and board will reflect their individual interpretations rather than a collective agreement. The planning process:

- allows people to explain their own models
- provides an opportunity to recognize conflicts and inconsistencies

<i>In my opinion...</i> We are moving away from...	We are moving toward

A form like this one can be used to initiate discussion about the direction of the agency.

- provides a groundwork for communication
- develops a common understanding of the agency's future.

Planning provides an opportunity to assess the organization

The planning process normally includes an evaluation of the agency's performance based on the previous plan.

The plan is also used to assess the accomplishments of the Executive Director. In addition to these assessment opportunities, be alert during the process to signs of trouble in the organization:

- members of senior team not in agreement
- continual resurfacing of the same strategies
- low commitment
- lack of connection between strategies
- discrepancies between stated strategy and day to day decision-making

Plans are symbols

The written plan represents the collective agreements of the organization about its future direction. It would be appropriate to distribute some form of the plan widely throughout the organization.

Plans are advertisements

The long-range plan of the organization is typically given to new board members and new senior staff. It is one of the key organizational documents. It is often used to supplement grant applications, reports to funding agencies, and reports to major donors. A cogent, well-written, well-laid out plan can function as an introduction to the programs and values of the organization. Too often affiliate plans are written in a kind of shorthand and/or are unattractively presented. If you think of the plan as an advertisement for the agency, you might find it worthwhile to see that the plan is written effectively and presented attractively.

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"The plan should be used as the basis for evaluation of the affiliate's effectiveness in meeting its goals and objectives. This is something often neglected."

John B. Romo, Board President,
Planned Parenthood of Santa Barbara,
Ventura & San Luis Obispo

Next Issue: The Long View: Part II - Developing Your Plan

Board Papers is a bi-monthly publication of the Planned Parenthood-Western Region Executive Committee. Please address any comments, suggestions and topics for future issues to Norah Holmgren, Editor, or to any member of the Executive Committee. © 1992 Planned Parenthood Federation of America, Inc.

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