

The Question:

What role should the Board of Directors play in strategic planning?

The Answer:

Strategic planning is critical to the long-term success of any nonprofit organization. It involves reviewing where the organization is now, where it would like to be in the future, and how it intends to get there. The process of strategic planning can help to invigorate and strengthen the organization by focusing on longer term objectives and renewing the sense of purpose and commitment among directors and staff.

The strategic plan is a written document setting out the organization's strategy. It guides staff and volunteers in developing work plans and budgets and in allocating resources. It also provides information to key stakeholders such as members and funders.

The board's governance responsibilities include approving strategy and the strategic plan. This should be done at least annually. The degree of board involvement in the planning process will generally depend on the size and complexity of the organization and the availability of staff and/or volunteer resources.

In larger organizations with professional staff, the Executive Director and senior staff will usually be responsible for developing the written strategic plan for board approval. Organizations with active volunteer committees and few staff may establish a joint staff-volunteer planning group. In smaller organizations the board as a whole may develop the strategic plan or form a strategic planning committee.

The board as a whole should be actively involved in discussing, reviewing and ultimately approving the plan. Directors can be a valuable resource by providing a fresh perspective and asking questions to satisfy themselves that the plan is well thought out, realistic and compatible with the organization's mission, vision and values. To ensure sufficient time for review and discussion, a special strategy session is often scheduled. This session may take place offsite, be significantly longer than a regular board meeting, and involve a professional facilitator. Final approval of the strategic plan takes place at a board meeting.

In preparation for the strategy session, directors should expect to review materials including:

- the previous year's plans, budgets, and financial information;
- a summary of the current year's activities and progress;
- information on related organizations and national or international bodies;
- information on government policy and legislation that could affect the organization;
- analysis of the organization's strengths and weaknesses, as well as opportunities and threats; and
- strategic recommendations

This material forms part of the planning records and should be retained for future reference. The minutes and notes from the planning session will also become part of the planning records and may include:

- decisions to retain or amend the vision, mission and values,
- decisions to continue or change the organization's strategy,
- new projects and programs , and
- key measurements that will be used to monitor performance and progress.

Using the guidance from the strategy session, the formal strategic plan is prepared and presented to the board for approval at a regular board meeting. Once the board has approved the strategic plan it is communicated to staff and volunteers for use in developing operational plans and budgets. The strategy should also be communicated to key stakeholders in order to build community interest and support for the organization's programs and activities.

Further information on strategic planning can be found in the CICA publication *20 Questions Directors of Not-for-Profit Organizations Should Ask about Strategy and Planning*. Much of this discussion is based on that publication.

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