

**SUSTAINABLE
STRATEGY
WORKBOOK^A**
(2-3-16 Draft)

**APPENDIX B
SAMPLE STRATEGIC PLAN**

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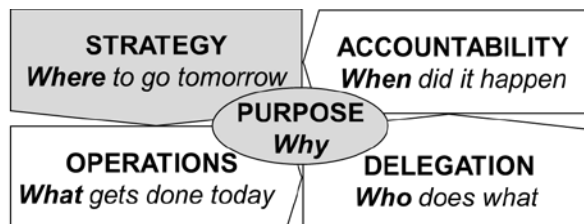
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^A This report is built upon a template derived from Results Now for Nonprofits: Purpose, Strategy, Operations, and Governance (Light, 2011, p. 85). All content herein © Mark Light, 2015. Thanks to Dottie Bris-Bois for invaluable editing services and sharing examples of her work.

APPENDIX B – SAMPLE STRATEGIC PLAN

Executive Summary

The Strategic Plan for Community Health Centers uses the *Results Now*[®] platform wherein leadership focuses its energy on making sure that the agency gets the job done and that its purpose is accomplished. With *Results Now*[®], the right answers come from the right questions. As shown in the illustration below, the strategic plan is composed of the elements in grey:



The strategic planning process had four distinct phases:

Great Start

*What are we
doing now?*

Great Ideas

*What could we
do next?*

Great Strategies

*What should we
do next?*

Strategic Plan

*What we will
do next.*

Great Start began with Values and Behaviors. A total of 105 people including 33 external stakeholders and 72 internal stakeholders had a voice in the process. The planning group of senior staff members worked on the lines of business and success measures. By the time they finished, there was a solid answer to the question of what CHC's current position.

Great Ideas delivered a vision statement and also generated many ideas for the future. More than 100 people participated in the ideation process and included 15 external stakeholders, 18 clients, and 72 board members and staff. All totaled, more than 335 ideas were produced. We used these ideas to guide the creation of a compelling vision that helped the planning group winnow the hundreds of ideas to a more manageable amount of 20 possibilities that could evolve into strategies. Another round of disciplined decision making led to four finalists for the Great Strategies process.

Great Strategies is where we evaluated the four finalists to decide which of them should be included in the Strategic Plan. The analyses generally support the next step of implementation planning, after which time CHC should reevaluate each strategy to determine whether or not to go forward.

Purpose

Purpose has two elements: values and mission. Together these are a powerful combination – more powerful than the paycheck for many. Expert Daniel Pink, for example, says that it takes three things to motivate most people in the workplace: “(1) *Autonomy* – the desire to direct our own lives; (2) *Mastery*: the urge to get better and better at something that matters; and (3) *Purpose* – the yearning to do what we do in service of something larger than ourselves.”¹

Values

Client-centered	Ethical	Competent	Team
Culturally competent	Accountable	Dependable	Respectful
Compassionate	Confidential	Proactive	Supportive
Responsive	Honest	Open to Learning	Positive
Effective		Knowledgeable	Communicative

Mission

Christopher Finny argues that an “organization’s mission statement deserves to be elegant, precise, and even poetic because these words embody the reason your nonprofit exists.”² Indeed, the very best mission statements are similar in texture to a Japanese haiku. Because the working mission is the combination of the three elements (clients, difference, and competitive advantage), the following is CHC’s working mission:

Client-centered care
for our Community
to have lives worth loving

Lines of Business

Lines of business are different from other activities within the organization because they are ends, not means. These are the services, products, and programs that are “the ‘face’ of an organization; the businesses that customers see as *being* the organization.”³ Most importantly, they must stand the customer-difference test: First, there is an external customer. Second, there is a life-changing difference for that customer.⁴

Addiction Services

*A Life Worth Loving
in Recovery*
Group
Housing
Individual Counseling
Peer Support

Clinic Services

*On-going Access
for Excellent Health*
Case Management
Medical Care
Food Access
Housing
Retention and Adherence
Transportation

Mental Health

Living Longer and Better
Counseling
Internships
Medications
Peer Counseling
Psychiatry
Training

Prevention		Resources
<i>Embracing Your Choices for a Healthier Life</i>		<i>Support that Matters</i>
County	Downtown	Events
Awareness	Awareness	Federal Grants
HIV Testing	Individual Risk Reduction	Foundation Grants
Individual Risk Reduction	Navigation	Individual Donors
Peer Support	Peer Support	Program Revenue
Risk Reduction Groups	Education & Screening Testing & Vaccinations	Support Services

Success Measures

Unlike the lines of business that describe what the agency is doing qualitatively, success measures look at this question quantitatively. The bottom line for success measures is quite simple: “What you measure is what you get.”⁵

Success Measures (\$ in thousands)		2011-12	2012-13	2013-14	2014-15	2015-16
Profit & Loss	Contributed Revenue \$	5,057	5,451	5,368	5,675	6,326
	Non-contributed Revenue \$	279	208	398	381	427
	Total Revenue \$	5,336	5,659	5,765	6,056	6,753
	Total Expenses \$	5,270	5,642	5,769	5,874	6,601
	Excess/(Deficit) \$	66	18	(4)	182	152
Balance Sheet	Assets \$	818	851	871	1,322	1,302
	Liabilities \$	358	374	397	152	76
	Net Assets \$	460	477	473	893	1,147
Capital Structure ⁶	Total Margin \$	0.01	0.00	(0.00)	0.03	0.02
	Current Ratio \$	1.8	2.0	1.9	5.4	12.5
	Working Capital \$	273	357	329	673	870
	Operating Reserves \$	207	170	253	616	814
Lines of Business						
Addiction Services %Sobriety \geq 90 Days				60	60	
Clinic Services #				861	975	
Mental Health #				600	660	
Prevention Duluth #				2,315	1,650	
Prevention Midtown #				4,800	5,000	
Resources \$				7,620	7,975	

Vision

Many writers in popular literature have long argued that vision is absolutely essential for effective leadership.⁷ Scholars also give an equally strong vote of confidence to its importance.⁸ As such, it is now generally accepted that the “single defining quality of leaders is the capacity to create and realize a vision.”⁹ In other words, “leadership behavior that is not infused with vision is not truly leadership.”¹⁰

When it comes to definitions, change master John Kotter defines vision quite broadly as “a picture of the future.”¹¹ Burt Nanus says vision is “where tomorrow begins . . . a signpost pointing the way.”¹² Thus, your purpose is in the present tense and the vision is in the future tense. The vision into three elements:

1. The statement is the clear picture of the future.
2. Strategies are the overarching actions that bring the vision to life.
3. Goals are the steps to achieve each of the strategies.¹³ Because of the complexity of each of the strategies, the planning group decided to craft an implementation plan to plan for each of the strategies.

Statement

Model Leader in Integrated Care
Those who need care, get care, feel better

Strategies

Current Strategies

Downtown Housing
Quality affordable housing through rental assistance for behavioral health clients for income-based fees:
Stability
Safety
Recovery
Goals planned: finished
Goals completed: 12/1/15

Downtown Clinic
Primary care for newly diagnosed or out of care 6-12 months for a sliding fee scale or insurance:
Excellent Convenient Care
Many Services – One Place
Goals planned: finished
Goals completed: 5/1/16

New Strategies

In-house Pharmacy
Medications for insured clients at all locations during established hours for a cost plus fee:
Convenience
Experienced Pharmacists
Access to Payment Help
Goals planned: 12/1/16
Goals completed: 12/1/16

Top Talent
Top talent through top human resource practices for CHC staff on behalf of the community for competition based fees:
Mastery
Autonomy
Purpose
Goals planned: 5/1/16
Goals completed: 12/1/16

**Patient-Centered
Medical Home (PCMH)**
Comprehensive services
in a unified process
at all locations
during established hours
for a rate plus fee:
Comprehensive
High Quality
Accessible
Goals planned: 5/1/16
Goals completed: 5/1/18

Broaden Client Payer Mix
Excellent care from
client-centered practitioners
for insured clients
at all locations
during convenient times
for a rate plus fee:
Confidential
Convenient
High Quality
Goals planned: 12/1/16
Goals completed: 12/1/16

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ENDNOTES

- ¹ (Pink, 2009, p. 204)
- ² (Finney, 2008, p. 54)
- ³ (Nolan, Goodstein, & Goodstein, 2008, p. 79)
- ⁴ (Light, 2011)
- ⁵ (Kaplan & Norton, 1992, p. 71)
- ⁶ **Total Margin:** "This is the bottom line . . . the one [measure] that tough, no-nonsense managers of all stripes supposedly focus on single-mindedly"(McLaughlin, 2009, p. 83). Formula = Revenue minus Expenses [line 19] divided by Revenue [line 12]
- Current Ratio:** "the most widely recognized measure of liquidity . . . the ratio should be at least 1" (McLaughlin, 2009, p. 75). Formula = Current Assets (lines 1-9) divided by Current Liabilities (lines 17 to 19)
- Working Capital:** "Determines how long a charity could sustain its level of spending using its net available assets, or working capital, as reported on its most recently filed Form 990" ("Glossary," 2010). Formula = Unrestricted plus Temporarily Restricted Net Assets
- Operating Reserves:** A more conservative view of working capital because you use unrestricted net assets and exclude land, building, and equipment, and temporarily restricted assets (Blackwood & Pollak, 2009, p. 9). Formula = Unrestricted Net Assets minus Land, Building, and Equipment plus Mortgages & Notes
- ⁷ (Bennis & Nanus, 1997, p. 17; Collins & Porras, 1991, p. 30; Covey, 1989, p. 101; De Pree, 1989, p. 9; Kotter, 1990, p. 5; Kouzes & Posner, 1995, p. 95; Senge, 1990, p. 206)
- ⁸ (Berson, Shamir, Avolio, & Popper, 2001, p. 54; Conger, 1989, p. 29; Gardner, 1990, p. 130; Sashkin, 1995, p. 403; Tichy & Devanna, 1986, p. 28)
- ⁹ (Bennis, 1989, p. 194)
- ¹⁰ (Vaill, 2002, p. 18)
- ¹¹ (Kotter, 1990, p. 68)
- ¹² (Nanus, 1992, pp. 8-9)
- ¹³ (Light, 2011)