

## Business Planning

*In identifying the steps involved in developing an ASB business plan and applying the business plan to issues in your local municipality you will:*

- ✓ *complete an agricultural situational statement for your municipality;*
- ✓ *assess the readiness of your ASB in developing a strategic business plan;*
- ✓ *identify a process for creating a business plan that includes establishing a collective vision;*
- ✓ *identify a process for creating a business plan that includes collecting and prioritizing agricultural issues;*
- ✓ *identify a process for creating a business plan that includes setting goals and strategies;*
- ✓ *define ways to identify performance targets and measures; and*
- ✓ *describe the process of adoption of your business plan by the agricultural community, management and Council.*

Strategic planning is creating a vision of the future and managing towards that future. Strategic planning is a process of determining what an organization intends to be in the future. An organization searches for the best possible future and then determines how to reach it. The purpose of the strategic plan is to provide a road map to guide the organization and the decisions it makes (Murphy, 2004). The roadmap tells you, your staff and the world how you expect your organization to achieve its stated objectives.

“If we keep doing what we’re doing, we’re going to keep getting what we’re getting.”  
Stephen Covey

A strategic or business plan has often been defined as a comprehensive document that clearly describes how the organization tends to operate its business. It is the blueprint that sets you going towards your goals. It is an important communication tool that also details the financial strategy associated with achieving the goals of the organization. In contrast, operational planning is more detailed than a strategic or business plan as it focuses in on just the operations. An operational plan identifies how an organization will implement the business plan in a given year. An operational plan contains a breakdown of activities that supports business plan strategies and ongoing programs. Operational plans are also referred to as work plans, where employees should see how their work connects to the organization’s business plan.

## **Components of an Agricultural Situation Statement**

\* Complete an agricultural situation statement for your municipality.

An agricultural situation statement describes the current condition of your area that influences your agricultural business plan. This statement provides a detailed look at agricultural resources and anything that influences agricultural operations or the services your ASB provides. There are several components of an agricultural situation statement, which may vary depending on your area. Examples of the different components are as follows:

- Population or number of farming operations
- Size of total municipal landbase
- Break down of landbase into land uses or commodities
- Break down of infrastructure and other non-agricultural activities such as roadways, parks, cemeteries, gravel pits, reserves, landfills, and subdivisions, etc.
- Presence and proximity to waterbodies or watercourses
- Overall environmental and agricultural conditions or challenges

The following is an example of an agricultural situation statement:

### **Agricultural Situation Statement for “Sunshine” County**

“Sunshine” County is located in east central Alberta, and covers approximately 1,000,000 acres. The County is made up of 1070 farms consisting of 675,000 acres of cropland, 75,000 acres of summer fallow, 55,000 acres of improved pasture, 130,000 acres of unimproved pasture, and 60,000 acres of other land. The main agricultural commodities within the County consist of cereals, oilseeds, pulses, livestock forages and specialty operations, such as greenhouses and exotic livestock.


“Sunshine” County has approximately 1,700 km of gravel roads, 90 km of primary highway, and 100 km of paved secondary highway running through the County. The ASB is responsible for weed and brush control along these road right-of-ways as well as two cemeteries, four gravel pits and one landfill.

Inspections for new weeds, diseases, insects, and environmental pollution are required annually on private land, municipal roads, provincial highways, Canadian Pacific and Canadian National Railways, along the “Big Bad” River and cooperatively on the Indian Reserve located within our jurisdiction. The “Big Bad” River borders the southwest and southeast portion of the County and poses a threat of being a prolific weed source as well as being a challenge in terms of beavers and flood damage control, and grass rejuvenation.

Soil types within the County vary significantly from brown to black. Sandy soils in the eastern portion of the County are prone to severe wind erosion, while other

problems arise from saline and solonchic soils in isolated pockets within the County.

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 Test your knowledge

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### **Learning Exercise 3.1**

Each ASB should have an agricultural situation statement already prepared. ASBs were required to prepare an agricultural situations statement as part of the grant application process for the 2014-2016 ASB Grant. Review your agricultural situation statement using the above section as a guide and update and improve it. You should become very familiar with this statement.

## **Developing a Strategic Business Plan**

Strategic business planning is creating a vision of the future and managing towards that future. It will focus the effort of your ASB, and provide an effective process to align short-term decisions with long-term goals. It will also aid your ASB in responding to changing environments. Strategic planning is a process all ASBs should go through every three years, coordinating with local government elections to:

- Set realistic goals of the board;
- Provide a road map to show where the ASB is going and how to get there;
- Develop better coordination of activities with stakeholders;
- Develop a frame of reference for budgets and short-range operating plans;
- Build commitment among key stakeholders;
- Identify and analyze issues affecting clients, stakeholders and the industry;
- Recognize the impact current issues are having on the ASB and how they affect the needed changes in direction to address them;
- Identify and analyze available opportunities and potential risks; and
- Develop better communications with those both inside and outside the ASB.

 **REMINDER** – Keep in mind that a business plan is a “living document” that needs to be updated at least yearly.

It is important that the ASB members be completely involved in planning, as this is the way in which they as ASB members give their input and as a result, take ownership of the plan that they create. Planning must be done on an ongoing basis, and reviewed at least once per year by the ASB.

### **Benefits of Planning**

- ASB members develop a better understanding of their organization and its business.
- Helps relate mission, goals, strengths, opportunities, priorities, budget and evaluation in a manner that improves decision-making.
- Leads to strategic management, leadership and direction for the ASB.
- Links budgeting and planning processes to maximize effective use of resources.

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- Brings common purpose and effective organization wide coordination.
- Helps to improve presentations about the ASBs needs, such as those associated with budget allocations.
- Enhances accountability to ratepayers, partners and stakeholders.

Ultimately, creating a strategic business plan for an ASB will answer four questions:

1. Where are we today?
2. Where do we want to be in the future?
3. How will we get there?
4. How do we measure our progress?

It is a process that can bridge the gap between long-term vision and day-to-day activities.

### **Barriers to Planning**

Despite the benefits associated with business planning there are very real barriers that can hinder or even halt your progress.

- Demands for short-term or intermediate action.
- Resistance to change.
- Lack of resources.
- Lack of a champion.
- Pressure from special interest groups or initiatives.
- Unwieldy bureaucracies.

## **Business Planning Model**

Below is a brief description of the business planning process that should be used as a guide. The steps outlined below describe the basic work that needs to be done and the typical products of the process. The business planning model can be simplified into 4 phases.

### **1. Planning to Plan**

Before starting the strategic planning process, the ASB must first assess if it is ready. While a number of issues must be addressed in assessing readiness, the determination essentially comes down to whether the ASB members are truly committed to the effort, and whether they are able to devote the necessary attention to the “big picture”. To determine if the ASB is ready to develop the strategic plan it must first do a readiness audit. To perform a readiness audit the following questions need to be answered:

\* Assess the readiness of your ASB in developing a strategic business plan.

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1. Do we have support to implement the business plan (i.e. political, managerial, staff and public)?
2. Do we have the resources to carry out the development of the business plan (i.e. staff coordination, staff involvement, financial)?
3. Is our leadership backing us? Can we identify strong champions and coordinators?
4. How will we develop the plan (i.e. schedule, established activities, clear coordination structure, and wide spread involvement)?
5. What are the benefits of developing a plan?

“If you are failing to plan,  
you are planning to fail.”  
Tariq Siddique

An ASB that determines it is indeed ready to begin strategic planning should perform five tasks to pave the way for an organized process.

1. Identify specific issues or choices that the planning process should address.
2. Clarify roles (i.e. Who does what in the process?).
3. Create a Planning Committee including all ASB members or at least identify a champion to support the effort.
4. Develop an organizational profile to include structure, functions, limitations, and opportunities.
5. Identify the information that must be collected to help make sound decisions.

If it is identified that an ASB is not ready, this does not justify doing nothing. Instead, concerns or issues must be addressed in order for the business planning process to proceed.

## 2. Developing the Business Plan

While developing the components of a business plan an ASB must address the following questions:

- What is the municipal vision and mission statement?
  - Does the ASB align with the municipality vision and mission?
- What values does the municipality operate under?
  - Does the ASB have additional values to consider?
- Who are our stakeholders?
- Who are our target or primary clientele?
- How well are we currently performing?
  - Are we productive and effective in what we do?
  - How do we know?
- Are we satisfying our key interests or priorities?
- How does the changing environment affect us?
- What opportunities or threats exist that we should exploit or avoid?
- What programs and services are we providing?

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- Are they the right ones?
- How do we know?
- What are the budget or financial considerations?
- What are the resources required (i.e. labor, vehicle, equipment, etc.)?
- Are we aligned with key organizational activities?

### **3. Implementing and Monitoring the Plan**

The business plan should be a working document. It is not something that is hidden away on a shelf or in a filing cabinet. Business plans are generally based on a 3 or 5 year timeline. Shorter than 3 years does not allow adequate time to evaluate success. Actions will always appear reactive. In contrast, any longer than 5 years does not adequately accommodate change.

### **4. Evaluating the Plan and its Implementation**

An ASB must continue to monitor the work of the senior staff member in implementing the plan and deciding whether the plan itself is effective. Planning and evaluation must be done on an ongoing basis. The entire plan needs to be reviewed at least once per year by the ASB.

## **Components of a Business Plan**

Regardless of which business planning model you use, the terminology will be generally constant. Differences may appear in how an organization may present their goal statements or define specific areas of emphasis. The main components of a business plan include the following:

- Vision
- Mission
- Values
- Goals
- Strategies
- Activities
- Resources
- Measures

The components above are required in an ASB business plan for the purpose of the ASB Grant Program requirements.

There are other components of a business plan that you may or may not want to include at an ASB level, such as objectives, principles, significant opportunities and challenges, core businesses, and targets. Some find these additional components add clarification. The choice is yours!

## Vision

**Vision:** clear, compelling and achievable picture of an ASBs preferred future.

A vision statement presents an image of what success will look like. A strategic vision is usually thought to be solely future-oriented. Therefore, a vision provides an organization a forward-looking, idealized image of itself. It concentrates on the end goal, not the means to reach the goal.

In the development of a vision for the ASB it is very important that ASB members are involved and provide input. This is an exercise that staff members should not undertake on their own.

A vision exercise starts with asking members of the group to think of where they see the ASB in 5 to 10 years. To assist you in achieving this task, the following questions could be posed to the group for discussion.

\* Identify a process for creating a business plan that includes establishing a collective vision.

### Questions to Ask:

- Why does the ASB exist?
- What will the municipality be like if the ASBs goals are achieved?
- What is the role of our ASB in our community?
- How does the ASB wish to be seen or known by its clients, partners, etc.?
- What is our unique contribution to the world around us?
- What is the impact of our work?
- What are we trying to accomplish?
- What do we stand for?
- What is our basic approach to achieving our purpose?
- How should we be organized?
- What will our operating procedures be?
- What kind of staff and competencies (i.e. people and skills) will be needed, and how do we want them to behave?
- What is our definition of success?

ASB members should openly discuss individual desires, sharing feelings, and comment without evaluating or judgment. In a meeting room, key words and phrases would generally be captured on a flip chart or whiteboard. From here we start to assemble the vision, with motivating and agreed upon words, and phrases while considering a focused concept that has a noble purpose and is believed to be valid and attainable for success.

### **Components of a Vision Statement**

Although there is truly no right or wrong in crafting a vision statement, here are a few general points to keep in mind that may assist you.

- Be compelling
- Statement of accomplishments or outcomes
  - Clearly stated challenges that will serve as a guidepost
- Requires substantial implementation capacity
- Requires development of commitment
- Be brief and inspiring
- Consistent with organizations values, philosophies and behaviors
- Attainable and realistic

A vision is not a plan; it is a declaration or statement of the ASBs most desirable future. It is a picture of what you want to create for the people you serve. Expand the focus to what is possible, not just what is probable.

The following are examples of modified vision statements identified in a Business Plan for 2007 – 2010. The intent is to state what the future will look like in the present tense.

*“The Sunshine County Agricultural Service Board values, protects and promotes a thriving agricultural community.”*

*“We have environmentally sustainable agricultural programs and policies that encourage proper land utilization, helping agricultural producers to thrive in Sunshine County.”*

The vision (2010) statement below from Alberta Agriculture and Rural Development is another example that technically meets the requirements of a vision statement, but states it as an outcome.

*“A competitive, sustainable agriculture and food sector and vibrant rural communities across Alberta.”*

### **Mission**

**Mission:** brief, clear statement about the ASBs purpose or reason for existence.

A mission statement is like an introductory paragraph or statement that sets the context of what will be detailed later in the context of the business plan. A mission statement must communicate the essence of the ASB in terms of the role it plays in achieving the big picture or vision. An ASBs ability to articulate its mission indicates its focus and purpose. A mission statement typically describes an ASB in terms of it's:



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- **Purpose** – why the ASB exists, and what it seeks to accomplish;
- **Business** – the main method or activity through which the ASB tries to fulfill this purpose;
- **Values** – the principles or beliefs that guide ASB members as they pursue the purpose.

The mission statement summarizes the **what, how** and **why** of an ASBs work. The mission should be brief and easily understood by everyone and address the following questions.

### Questions to Ask

- Why does the ASB exist?
- What does the ASB do?
- Who does the ASB serve?
- How does the ASB operate?

Other questions to consider in developing a mission statement include:

- What makes the ASB distinctive or unique?
- What are the ASBs most important values?

### Components of a Mission Statement

Similar to a vision statement, there is truly no right or wrong in crafting a mission statement. Here are a few general points to keep in mind that may assist you.

- Clearly specifies the business or function of the ASB (as addressed in the questions above).
  - Answers the question: What business are you in?
- Broad enough to allow flexibility of implementation.
- Narrow enough to provide focus.

The following is a modified example of a mission statement identified in a Business Plan for 2007- 2010.

***“The Agricultural Service Board advises landowners in Sunshine County regarding the proper utilization of land, including effective methods to control pests and efficient use of soil and water resources that will help improve the economic well-being of agricultural producers.”***

Here is another example of a mission statement that is very similar, but expands their target group to “all stakeholders”.

***“The Agricultural Service Board in Sunshine County advises and serves all stakeholders in weed and pest control, leading edge agricultural practices,***

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*soil and water conservation and related environmental concerns to enhance the viability of the agricultural community.”*

The mission statement (2010) below from Alberta Agriculture and Rural Development is another example. It is concise, yet still descriptive enough to address the necessary components of a mission statement.

*“The ministry leads in knowledge and innovation; provides the frameworks and services necessary for Alberta’s agriculture industry and food sector to excel; and inspires public confidence in the quality and safety of the food. The ministry leads the collaboration that enables resilient rural communities.”*

With vision and mission statements in hand, an ASB has taken an important step towards creating a shared, coherent idea of what it is strategically planning for.

## Values

Values are standards or qualities that represent core beliefs or convictions that establish priorities for decision-making and action. By including the values of the ASB in your business plan it allows you to set out what is important and communicate that importance to others. Values can assist in keeping the rest of the plan on track and are the core of exceptional performance.

### Questions to Ask

- What is truly important to our group?
- What values do we embrace?
- What do these values mean to our ASB?

### Components of a Value

There is truly no right or wrong in identifying values. However, here are a few general points to keep in mind that may assist you.

- Is it a value?
- Does it truly communicate an important value of the group?

Some general examples of values are:

***Respect, Accountability, Integrity, Excellence, Client Focused, Honest***

Values can be used as a guide when recruiting employees. They can be posted as a standard or expectation to work by. Many organizations will develop recognition programs centered on employees aligning their work ethics with corporate values. It can also be useful to review all new programs, bylaws and policies against the values that the ASB has identified to again ensure there is clear alignment with corporate values. For example, if one of the values identified in your business

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plan is “equitable treatment of residents (and staff)”, it will set the standard or expectation of how you will deal with enforcing legislation. All residents would be given the same consideration regardless of location, relationship, influence, etc.

When identifying values as a group it is important to not limit the flow of input. Allow all members of the group to list values that are relevant to them. However the next step would be to identify the most important values to the group as a whole with the intent of trimming the list to the top 3 to 6 values.

A description for each of the top 3 to 6 values identified should also be included in the business plan. This provides clarification of the values, which ultimately allows you to communicate what is important to the ASB and under what precedence it will operate.

The following are a couple of examples of values and their associated description:

*“Client relationships – Will be strengthened through positive communication and excellent service delivery.”*

*“Seek to always learn and improve ourselves – We believe in continuous quality improvement. We believe we must monitor our progress and use that information to improve the work we do.”*

## Collecting and Prioritizing Agricultural Issues

\* Identify a process for creating a business plan that includes collecting and prioritizing agricultural issues.

Once the ASB has committed to why it exists and what it does, it must examine what the current situation is. Remember, that part of strategic planning, thinking, and management is an awareness of resources and an eye to the future environment, so that the ASB can successfully respond to changes in the environment.

A situation analysis or assessment involves obtaining current information about the ASBs strengths, weaknesses and performance, as well as information that will highlight the critical issues that the ASB faces and that its strategic plan must address. These could include a variety of primary concerns, such as funding issues, new program initiatives, changing regulations, or changing needs in the client population.

There are several issues that could be brought forward; the point is to choose the most important issues to address. Generally the strategic plan will address no more than five to ten critical issues. There are several methods that can be used to analyze the current situation within a municipality. One such method is an **environmental scan**, which examines primarily external influences that can have a positive or negative impact on the ASB. The ASB would need to monitor the environment on a regular basis to obtain information about emerging trends,

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especially medium and long term trends, issues for critical thinking and decision making and preparation for future courses of action. The common areas that are often monitored include changes in social values, demographics of the community, economic factors, and community influences, among other things. This process is intended to provide an assessment of the ASBs internal strengths, weaknesses, challenges, risks, assumptions and opportunities.

Another relatively common method is the **SWOT analysis**, which is also considered as a type of environmental scan. The SWOT analysis examines both the internal and external environment by identifying Strengths, Weaknesses, Opportunities and Threats regarding the organization (Figure 3.1). A SWOT analysis provides insight into future goals and strategies by identifying what needs to be done to meet challenges and seize opportunities. Often times on completion of a SWOT analysis, solutions are identified for areas originally considered as threats or weaknesses.

	<b>Positive</b>	<b>Negative</b>
<b>Internal</b>	<p><b>S</b> Organizational <b>Strengths</b> and Capabilities</p>	<p><b>W</b> Organizational <b>Weaknesses</b> and Deficiencies</p>
<b>External</b>	<p><b>O</b> <b>Opportunities</b> for the Organization</p>	<p><b>T</b> <b>Threats</b> to the Organizations Well-Being</p>

**Figure 3.1** Components of a SWOT analysis.

A list of examples for both internal and external areas for consideration when working through a SWOT analysis is presented in figure 3.2. This list is not exhaustive and you may be able to identify other areas relevant to your ASB and municipal situation.

<b>Internal</b>	<b>External</b>
People and Culture	Attitudes
Governance Structure	Demographics
Systems & Processes	Political Factors
Products & Services	Environmental Factors
Finances & Costs	New Technologies
Technologies	Laws & Regulations
Outcomes	

**Figure 3.2** Examples of internal and external areas for consideration.

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It is important to involve stakeholders at some point along the business planning process. The SWOT analysis is likely one of the easier places to facilitate stakeholder involvement. Involving key stakeholders in assessing the situation is critical to identifying the needs of the community or region, and the identification of new solutions.

This can take a considerable amount of time, as discussions at this stage frequently require additional information or an evaluation of conclusions reached during the situation analysis. Sometimes new insights will emerge which may even change the thrust of the mission statement. It is important that the ASB is not afraid to go back to an earlier step in the process and take advantage of available information to create the best possible business plan.

Appendix 3.1 provides a brief outline of the steps involved for one approach to obtaining information about issues facing the municipality with maximum participation from stakeholders. There are several ways to do this and if you would like support in pursuing this approach further contact the Alberta Agriculture and Forestry, ASB Program Office directly.

## Developing Goals, Strategies and Actions

Once the ASB has drafted a vision and mission and identified its values and critical issues, it is time to figure out what to do about them by developing:

- **Goals** – the general results
- **Strategies** – the broad approaches to be taken to get the results
- **Actions** – the task/activities that need to be done

## Goals

Goals are broad, issue-oriented statements that begin to focus action towards clearly defined purposes (Alberta Treasury, 1996). A goal is generally a statement of “**what**” needs to be done in order to reach the desired end result. Goals will often identify what is needed to bridge the gap between present and preferred future. Although the focus begins to narrow, goals still do not describe operational details.

In identifying the goals of the ASB you should be able to address the following questions.

### Questions to Ask

- What does success look like?
- Is the goal succinct, realistic and achievable?
- Do the goals relate well to the vision and mission?

\* Identify a process for creating a business plan that includes setting goals and strategies.



“Obstacles are things a person sees when he takes his eyes off his goal.”  
E. J. Cossman

### **Components of a Goal**

- Describe end results
- Provide clear direction for action
- Emphasize medium to long range thinking
- Support the vision and mission

### **Aspects of an Effective Goal**

The aspects necessary for considering the effectiveness of a goal are more rigid than the requirements of the previous business plan components. A common expression for effective goals is that they are **SMART**.

**S**imple

**M**easurable

**A**ccountable

**R**ealistic

**T**imely

The following are examples of goals identified in a Business Plan for 2007- 2010.

*“To prevent and control invasive plants on privately owned property.” (1)*

*“To communicate the benefits of ASB programs and services to rural residents.” (2)*

*“To encourage environmental sustainability by promoting responsible stewardship of soil and water resources through awareness and education activities.” (3)*

Here is an example of a goal that is directed towards the internal operations of an ASB.

*“To achieve balances between efficiency and effectiveness in ASB functions and procedures.” (4)*

## **Strategies**

Strategies are a specific course of action for a group of activities that will be undertaken to accomplish established goals and achieve key results (Alberta Treasury, 1996). A strategy is helpful in that it explains how an ASB will move from the current situation to the desired goals and vision within the timeframe of the business plan. A strategy answers the question of **“how”** we are going to achieve the goals.

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Strategies should be considered as motivating and enabling. After reading a strategy it should motivate you to take steps to implement the business plan. The focus is on possibilities rather than challenges, and in many situations addresses how you will overcome obstacles.

For each goal it is necessary to identify at least one strategy, although it is more common to have several strategies under each goal. As a rule of thumb, if you have more than 5 strategies under a goal you may want to consider narrowing the focus of the goal a bit further. In some cases, more than 5 strategies are appropriate, and a quick check on the intent of the goal should support your decision. Regardless of the number of strategies, a strategy should be easily understood by everyone and address the following questions.

### **Questions to Ask**

- Are we focused on high priority areas?
- Are we focused on achieving the goals of the ASB?
- How do we overcome obstacles to achieving vision, mission and goals?
- What will motivate the ASB to take steps to implement the business plan?

### **Components of a Strategy**

- Clearly linked to accomplishing a particular goal
- Delivers significant benefit for the cost
- Sustainable over the long term
- Realistic given the staffing requirements and costs
- Compatible with other strategies
- Motivates – action words!

The following is an example of a strategy identified in a Business Plan for 2007-2010.

The following strategy will be implemented to achieve goal (3) above.

**“Provide timely, up-to-date information, advice and support to landowners on shelterbelt planning, planting and maintenance.”**

It is important to remember that strategies are different from activities, which are actions undertaken in support of an initiative. It is necessary to identify a performance measure for each strategy not for each activity. However, in some situations the performance measure will be connected to the goal rather than the strategy. Performance measures will be discussed in more detail later in this module.

## **Actions**

“You can’t build a reputation on what you’re going to do.”  
Henry Ford

Actions are specific steps to be taken to put a strategy into effect (Alberta Treasury, 1996). Actions answer the question: What are the activities we are going to do to support the strategy and achieve the goal?

The following questions should be addressed when identifying actions:

### **Questions to Ask**

- What are the activities we are going to do to achieve the goals and strategies?
- Are the activities more detailed than the strategies they relate to?

### **Components of an Action**

- Provides enough detail to understand how we are going to accomplish the strategy
- Support the strategy it is associated with
- Motivates – action words!

With respect to the strategy above regarding “providing timely, up-to-date information, advice and support on shelterbelts,” possible actions could be as follows:

***“Supply producers with tree applications.” (1)***

***“Advocate mulch application.” (2)***

***“Assist producers with tree planting.” (3)***

***“Make rental equipment available for tree planting.” (4)***

Along with actions it is important to determine the resources (i.e. people, money, supplies, partnerships, etc.) needed to complete those actions. This information can be included in a general sense within the business plan. For example, for action 1 above you might require ASB administration and municipal staff involvement, only cost outside of labor would be for printing and no formal partnership is needed.

Specific details for activities should be clearly documented in an associated work plan or operational plan. This provides clear direction and expectations of staff and also a way to keep a balance with ASB members when it comes to their expectations and staff performance. Work plans are where employees should see how their work connects to the ASB business plan



## Performance Measures and Targets

“Unless you are keeping score, it is difficult to know whether you are winning or losing. This applies to ball games, card games and no less organizational productivity.”

By developing comprehensive measures and targets you will be able to identify what success will look like for the ASB. Performance measures provide a scorecard relative to success in achieving the results intended. By measuring the performance of the ASB you will know how close you are to meeting your goals. In addition, the use of targets specifies a desired future level of performance (Alberta Treasury, 1996).

When identifying performance measures the following questions may be of assistance:

### Questions to Ask

- How can we best measure our success?
- Can we express our success in measurable terms (i.e. numbers, % increase or decrease, etc.)?
- Does each strategy or goal have at least one measure?

### Components of a Performance Measure

- Identifies program successes
  - Tells us if the program is working to our expectation
  - Captures the most important aspects of the ASB's success.
- Quantifiable
- Easy to understand
- Focused on the ASB's sphere of influence
- Objective and reliable.
  - Unbiased, verifiable and obtained from credible source
- Resistant to undesired behavior
  - Increased number of notices issued if ASB is measured by that activity.
- Sensitive to practicalities of data collection

The purpose of developing performance measures include:

“What gets measured gets done, and done better....when rewarded.”

1. Creating incentives to focus resources (What gets measured gets done);
2. Communicating service expectations internally and externally;
3. Facilitating the analysis of past, current and future trends.
4. Address program improvement (Where and how can we get better at what we do?)
5. Expression of accountability to stakeholders, funding agencies, clients, etc.

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Measures and targets should be **SMART**.

\* Define ways to identify performance measures and targets.

**S**pecific: Clear and targeted. Focused on the ASBs sphere of influence. Good performance measures emphasize the outcomes of performance that can be influenced by initiatives or actions of the ASB.

**M**easurable: Quantifiable so you know when you reach your goal. Quantitatively measure effectiveness, efficiency or economy.

**A**ttainable: Goal can be reached through consistent effort.

**R**elevant: Results of achieving the goal are relevant to the overall mission and vision. The measures and related targets must focus on factors within the ASBs control.

**T**ime Related: Results are compiled and distributed promptly to be of value. Ideally results should be provided for the reporting period. Time related also refers to the ability to be able to monitor over time.

The performance measures and targets should be directly related to the goals, strategies, and resources in the Strategic Business Plan.

The following is an example of a measure:

***“Number of awareness or education activities conducted by November 30, 2007.”***

An example of a target related to the measure above could be:

***“Seven awareness or education activities will be conducted by November 30, 2007.”***

Failure to meet a target does not warrant punishment, but does warrant an explanation. Having to provide an explanation causes you to evaluate the activities, strategies and goals that were set.

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There are 5 basic categories of performance measures:

“Not everything that can be counted counts, and not everything that counts can be counted.”  
Albert Einstein

1. **Outcome measures** or effectiveness measures identify the intended products, results, consequences or changes in conditions, behaviors, knowledge, skills or attitudes that indicate progress toward achievement of a program or goal. There are 3 basic types of outcome measures: immediate or short term also considered as direct; intermediate or indirect; and final or long term. An example of an immediate outcome measure is:

***“Enrolment in new (“hot topic”) extension workshop as percentage of total enrolment in all extension workshops.”***

An example of an intermediate outcome measure is:

***“Participation of producers in joint seed and soil testing program (throughout the season).”***

An example of a final outcome measure is:

***“Incidence of clubroot”***

2. **Output measure** identifies how much work was performed or how many units of service were provided. It tells how much was done, but does not reveal how efficiently or effectively.

An example of an output measures is:

***“Number of awareness or extension workshops offered.”***

3. **Input measure** reports on resources consumed or used by the program.

An example of an input measure is:

***“Dollars spent.”***

4. **Efficiency measure** relates the amount of work performed to the amount of resources used. Generally this is reported in dollars or labor hours consumed in carrying out the program.

An example of an efficiency measure is:

***“Labor hours or percent of position for enforcing the Weed Control Act.”***

5. **Productivity measure** combines an outcome measure and an efficiency measure into a single indicator. Productivity measures are not very common as they are often difficult to formulate and interpret.

An example of a productivity measure is:

***“Unit cost of satisfactory (includes timeliness) repairs of rental equipment.”***

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As your business plan matures it is recommended that performance measures include a clearly defined target. A target is established based on what the ASB can achieve given their current budget, resources and external influences.

### Components of an Effective Target

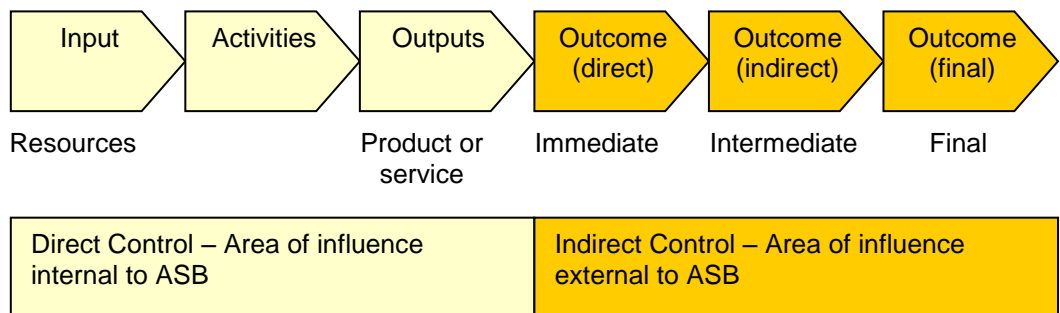
- Quantifiable
- Achievable
- Specific for the year for which it is effective
- Challenging and attainable

The following is an example of a target:

***“Four newsletters focusing on soil and water conservation will be published and distributed to ratepayers by November 30 2009.”***

Measures and targets answer the question: How will we know we have achieved what we set out to achieve?

As outcome measures are commonly used as performance measures it is necessary to put them into perspective. In order to describe the sequence of steps to achieve the desired end results and identify outcome measures it is useful to diagram a results model. Figure 3.3 illustrates a results model beginning with inputs, moving through activities or projects and outputs, culminating in outcomes and impacts.



**Figure 3.3.** Results model for illustrating sequence of steps from input to outcome (*Alberta Treasury, 2004*).

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To further elaborate on outcome or effectiveness measures work through the following example regarding extension workshops on clubroot.

Immediate Outcome	Intermediate Outcome	Final Outcome
Enrolment in clubroot extension workshop.	Producers acquire knowledge regarding clubroot.	Improved management of clubroot.
Outcome Measure	Outcome measure	Outcome measure
Enrolment in clubroot extension workshop as a percentage of total enrolment of all extension workshops offered.	Participation of producers in joint seed and soil testing program for early detection of clubroot.	Incidence of clubroot

It is not necessary to identify all 3 types of outcome measures for each goal or strategy. You can use a variety of measures to balance with the information available to support a measure.

### Problems with Outcome Measurement

Although outcome measures are very useful in assessing the level of success you have achieved there are some difficulties associated with them such as;

- Organizational resistance
- Difficult to show causality
- Manipulation
- Unintended consequences
- Measures or data may not exist
- Cost in time, effort and dollars
- Expertise
- Inappropriate use
- Burden on program participants

Despite the problems mentioned above related to outcome measures there are ways to overcome the resistance. For example;

- Involve operating personnel and clients in the design
- Establish incentives to encourage staff and ASB members to use performance information as part of everyday business.
- Provide training to help staff and ASB members to understand benefits

## **Adoption of the Business Plan**

\* Describe the process of adoption of your business plan by the agricultural community, management and Council.

The success of your business plan is directly related to the buy-in, adoption, and implementation of the plan. If the agricultural community, the municipality, ASB members and staff, or the Council do not agree that the issues and activities you have outlined in your plan are priorities, your plan will not be supported, and it will fail.

### **Stakeholder Input**

In order to obtain support from important stakeholders, you will need to include them in the business planning process right from the very beginning. But before you can include them, you need to know who “they” are. Stakeholders are all those individuals who will be affected by your plan or who will contribute to your plan. They may include, but are not limited to: ratepayers, municipal council, ASB members, Alberta Agriculture, and other government agencies.

These stakeholders should be involved and encouraged to participate early in the planning process. When the stakeholders have involvement in the development of the plan, they will have ownership in it and will in turn be more committed to seeing it through.

### **Process of Adoption**

Once the plan is completed, but before it goes to final draft, it should be reviewed by key stakeholders. The Agricultural Fieldman would present the Draft Strategic Business Plan to the ASB for review. At this point, changes can be made in the draft document to reflect the input from the ASB and Agricultural Fieldman. Revisions should not be dragged out for months, but action should be taken to answer any important questions that are raised at this step.

If there is conflict about the plan at this stage, it is important to deal with it. Do not attempt to bury conflict just to wrap up the process more quickly. If the conflict is not dealt with, it will inevitably undermine the potency of the strategic directions laid out.

Once the plan is finalized it needs to be adopted by the ASB as policy. Formalizing the plan into policy transfers responsibility for its implementation onto the Agricultural Fieldman and Municipal Administration. At this point, in many municipalities the ASB is required to recommend the business plan to council for approval. This is an important step in the process as the budget is connected to the implementation of the business plan. Similarly, if the business plan is well prepared, it should provide clarification and justification of the budget. Once approved, the programs and policies that will be carried out by the ASB through the implementation of the business plan should be communicated to your

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stakeholders and the community. This can be done in a variety of ways such as newsletters, the Internet, public documents and public meetings. A communication plan should be developed as part of the business planning process and include your target audience and proposed methods of communication.

Attached to the end of this module are some additional readings for your interest.

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 Graded Assignment

**Total Question Value**  
**= 14 pts**

Vision = 2 pts

Mission = 2 pts

Values = 2 pts

Goals = 2 pts

Strategies = 2 pts

Actions = 2 pts

Measures = 2 pts

**DUE DATE: March 10, 2017**

### Assignment 3.1

From your current ASB business plans identify a single improvement in each of the following areas: vision, mission, values, goals, strategies, actions, and measures. For example, with respect to goals: Select a single goal from your business plan and suggest how it could be improved whether it be the actual content, or the process used in identifying the goal.

## **B U S I N E S S   P L A N N I N G**

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## **APPENDIX 3.1**

### **Identifying and Ranking Issues**

The purpose of this exercise is to obtain information about issues facing the municipality and ASB with maximum participation from stakeholders involved.

#### **Preparation**

- Large facility to have table groups up to eight people;
- Issue identification charts for mounting on the wall;
- Main facilitator designated to coordinate the session;
- Recorders for wall charts designated;
- Table facilitators designated (optional).

#### **Process**

##### **Introduction**

- Explain the purpose of the process
- Facilitate introductions at each table

##### **Individual**

- Ask each person to silently record his or her responses, in five words or less, to the following questions;
  - What are some of the significant issues (threats, concerns)?
  - What are some of the opportunities (potential benefit) facing your ASB?

##### **Table**

- Share responses at the table by going around the table and sharing one idea at a time per person.
- Record idea in five words or less on a large index card or an 8.5 x 11 piece of paper.
- Do not encourage evaluations, explanations or solutions.
- Do not discourage wild and crazy ideas, and the more ideas, the better.
- Encourage participants to be specific.
- Do not combine items unless they are “exactly” identical.
- Keep going around the table until no further ideas.
- Suggest that it is okay for someone to pass on a turn and then join in later.

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### **Group**

- Assign recorders to wall charts. Keep in mind, the more participants or the more participation, the more records required.
- Go table to table to get one idea from each table, until there are no further table items.
- After all ideas are up, ask if anyone has any further ideas.

### **Ranking**

- Main facilitator reads each item on wall charts.
  - Assign each item a number
  - Ask if any clarification is required
  - Do not combine items
  - Do not allow discussions
- Main facilitator advises participants to not items of particular importance as the wall charts are read so that they have a shorter list than the master list, this helps for the next step.
- Participants are asked to prepare score sheets.
  - Prepare eight pieces of paper by numbering each piece of paper 1 to 8 and circle these numbers
  - They may give only one score or piece of paper to only one item on the master list
  - A score of 8 is of highest importance, while 1 is the lowest score but 1 is still more important than the balance of items on the master list that get no score
- Encourage participants to put only one score on one item.
- If there are two similar items, advise them to pick one by choosing the one that best represents their view on that particular topic.
- Participants place their eight scores for their eight items on the wall charts using the column marked voting.
- At this point, a coffee break is a good idea so that scores can be added for each item.

### **The Preliminary Short List**

- The top 10 items based on the total score for each item are listed on a flip chart.
- Participants are asked if any of these top items are almost identical (not similar); if they are, place them together under a new, broader title.

### **The Focus Areas**

- The above broad titles are called Focus Areas, which are useful in categorizing all items on the Master List to make the list more manageable.
- Review all Master List items and have participants assign them to a Focus Area. If items require a new Focus Area, create new ones. It is

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recommended that there are no more than ten Focus Areas. Otherwise, it becomes too tedious and time-consuming to deal with each one affectively.

- The Short List items identify significant single issues or opportunities based on the top 10 items for focused analysis and follow-up.
- The Focus Areas establish a broad overview of topic areas based on the column of relevant items for general analysis and follow-up.

The products at the end of this session include a **comprehensive report** of quality information that can be used to make decisions, and a **list of critical issues** in order of importance which demand a response from the ASB and which the ASB will subsequently need to deal with.

## Planning for Growth

By Paul Connolly and Laura Colin Klein

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Organizational expansion is neither inexorable nor automatic. To be beneficial, it must be well planned and closely managed.

When people talk about organizational growth, it is usually in positive terms. After all, wouldn't any organization benefit from a bigger budget, more staff, expanded quarters, new programs, or broader outreach? If small is beautiful, isn't big more beautiful?

In point of fact, growth typically is desirable, and the failure to grow may well lead to a decline in relevance and effectiveness. But not always. When growth is not carefully planned and managed, bigger is not necessarily better, and more may turn out to be less.

Consider the case of a successful drug-counseling program. In order to reduce per-unit cost to a level closer to the "industry norm," the agency decides to increase its caseload by 50 percent. Additional staff is brought in, but the new hires lack the commitment and concern of existing staff. Suddenly, the program's best feature – the close, individualized relationships between caseworkers and clients – is undermined. An air of impersonality creeps in. Growth, in this case, is self-defeating. Rather than enhance service, growth had diluted service.

### Why Grow?

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In the nonprofit arena, growth is most readily seen in terms of dollars – just as it is in the private sector. The very fact that the budget is bigger means that the organization has grown.

Usually, the additional money goes to add staff, serve more clients, launch new programs, reach out to new constituencies, or take a successful program to scale. But it is entirely possible for a nonprofit to evolve without adding to its budget or the size of its workforce. Instead, it scales back programs of dwindling importance and reallocates its resources to more critical initiatives. That's what dozens of women's centers did in the 1970s and '80s. An early protest of advocacy programs aimed at changing "the system" from the inside. Where once their agenda was primarily political, now they focus on such priorities as fairer treatment for women in the courts and health care systems, shelters and hotlines for battered women, and workplace assistance programs.

The experience of a group called Parents for Public Schools illustrates one important force for growth: the opportunity to get more mileage out of a good idea – either by serving more people over a broader area or by replicating a successful program in new locales. Parents for Public Schools was born in the early 1990s, when parents in Jackson, Miss., joined forces to combat the middle-class "white flight" that was threatening the quality of education in many of Jackson's 56 public schools. The program's success inspired dozens of other Mississippi communities to pick up on the idea. With the support of the Phil Hardin Foundation and Kraft Foods, it has since been replicated in at least 25 additional states.

Growth can also enable a local organization to upgrade its services and reach more clients within an existing service area, sometimes in dramatic ways. In 1995, four years after its founding as a grassroots street-based needle-exchange program, Prevention Point Philadelphia opened a “Harm Reduction Drop-In Centre” in the city’s Kensington section. Funded by grants from The William Penn Foundation and The Philadelphia Foundation, the new facility provided a range of offerings that went far beyond needle exchange for IV drug users: AIDS information, condoms, support groups, information on medical care and drug treatment programs, and HIV counseling and testing.

## **The Challenges of Growth**

However attractive organizational growth might appear to be, it makes no sense for a nonprofit to expand in ways that jeopardize its financial health or that compromise program quality. Before the leaders of a nonprofit contemplate any type of change, they must be willing to play devil’s advocate, acknowledging that there may be good reasons for preserving the status quo.

The fact is that organizational growth is almost never easy. It inevitably requires staff to take on new responsibilities, assume heavier workloads, or operate in unfamiliar settings.

In some circumstances, staff may be thrust into the uncomfortable position of serving an altogether new population. It is one thing to run a Head Start center serving a clientele of parents and their pre-schoolers; it’s something else again to expand that effort into a job-training program for unemployed youth and adults. If your staff isn’t up to the challenge, or you are not planning to hire new staff professionals who are, it may be best not to proceed.

Or, suppose a funder has come through with a long sought grant for your repertory theater company – but only on the condition that you launch an outreach program for local elementary schools. No one on staff is experienced in that area; mounting plays has always been the company’s sole strength, passion and reason for being. Accepting the money and creating the program could in fact be a rational course – but only if doing so fits with your organizational mission and your decision is informed by a thorough understanding of the risks and start-up costs involved.

Often, of course, the risk pays off. During the past 25 years The Trust for Public Land has completed more than 1500 projects nationwide involving the preservation of wilderness, rural and urban areas. With the encouragement and support of a major funder, the Trust went through a thoughtful strategic planning process. As a result, it has been significantly expanding the volume of its activity in urban areas and changing the way it works in those settings. In the past few years it has begun working in more than 20 cities through its Green Cities Initiative. It has shifted its focus from acquisition only – for which it has a highly developed skill base – to working with local partners to ensure long-term stewardship for the parks it is helping to develop. This has required staff to develop new skills and new ways of working. A senior staff member at the Trust notes that this has not been without its challenges, but that the impact of the Trust’s work in urban areas will inevitably be greater because it is learning to move beyond acquisition on its own to working with partners to promote stewardship.



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As an organization evolves and enters more competitive markets, staff and board may need to develop a more entrepreneurial mindset. Consider a day care center with Title XX funding: if it's the only facility of its type in the region, there is probably no need to be concerned with marketing or with maintaining usage levels. But suppose the center opens a second branch in a nearby community where other childcare facilities are available. For the first time, the center is competing with other providers for funding and clients. Money will have to be budgeted for marketing; staff cuts may be necessary if usage levels drop. Envisioning this scenario, the center's leadership may opt not to expand. If they do, it will be important to recruit and hire people with entrepreneurial skills. Service excellence is no longer enough.

Growth may also force a shift in emphasis from units of service provided to outcomes achieved. Consider: a job-training program serving unemployed single parents receives funding for every client who completes a nine-week course. A new, larger grant is offered – but one based on outcomes. Now, the program will get paid for every client it successfully places in a job. Process has taken a back seat to results.

Growth invariably brings with it a need for additional staff and internal restructuring. Therefore, the benefits must be carefully weighed against the costs. Is the funding available to hire six new program directors – and if it is, can we assume we'll find the people we need?

Almost invariably, growing nonprofits also require new administrative systems to track programs or income streams in a more orderly and productive way. City Harvest is a New York City-based nonprofit that oversees the collection of unused food from restaurants and stores and other businesses and distributes it to agencies serving the hungry and homeless. In 1995, the agency's leaders saw that further growth would be possible only if a more efficient system could be found for tracking contributions. Also needed was a way to maximize the automation of their truck routing system for food pickups and deliveries. In other words, City Harvest understood that unless it upgraded its management information systems, the effectiveness of its programs would be diminished and it would be unable to benefit from growth.

These are some of the key questions that the board, management, and staff must ask before embarking on a plan for growth:

**What has triggered the discussion in the first place?** Has a funder put money on the table in exchange for the organization's commitment to launch a new program? Have clients or customers expressed a need for new or different products and services? Or has the organization on its own identified a need to expand or to move into new areas? Opinions are likely to differ on this issue, but a consensus must be reached before there can be a solid basis for future planning.

**How would this decision impact our mission and our clients?** Whom do we serve? What do they value? Are we delivering it? Have there been shifts in the demographics of our client base or surrounding community?

**Are we ready to grow?** The fact that new client demands or funding opportunities have materialized doesn't necessarily mean the organization is programmatically ready to take the next



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step. At this juncture, it is important to survey the organization's key constituencies, to discern how comfortable they are with the prospect of change. Absent sufficient support from staff and board and an environment hospitable to change, any significant new initiative will most likely fail.

**What are the obstacles to growing the organization – and can they be overcome?** While there may be compelling reasons for growth, the road to growth is inevitably bumpy. Outmoded systems, insufficient funding, inadequate demand, programmatic gaps, and lagging board or staff capacity – any one of these can derail the most well-intentioned plan.

Keep in mind that growth is expensive, and being overly ambitious is much like buying a house you can't really afford. Unless you can find a way to achieve your objectives without incurring excessive costs – or be reasonably certain that the requisite funding or earned income is available – you may be taking a fiscal leap that jeopardizes the organization's very survival.

Nonprofits today operate in a world markedly changed from what it was as recently as a decade ago. While the demand for many services has increased, public and private funding has tightened and competition from for-profit entities has intensified.

In this new environment, growth has inarguably become a more compelling issue – and a far more complex one. For nonprofit organizations today, the chief challenge may well be to expand their offerings, serve new populations, and adapt to change without forsaking their defining mission. “The fatal metaphor of progress, which means leaving things behind us,” wrote G.K. Chesterton, “has utterly obscured the real idea of growth, which means leaving things inside us.”

## The Flip Side of Growth: When Organizations Face a Downward Spiral

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Ironically, the very attributes that drive growth can sometimes lead to organizational dysfunction later on. For example, the formal hierarchy and operating systems that allow for extensive programming for diverse constituents can harden into a kind of organizational straitjacket – a rigid structure and outmoded set of procedures that get in the way of effective operations. As long as clients and funders continue to provide at least minimal levels of support, organizations can languish for some time. Such stagnant organizations can generally be identified by these characteristics:

- A fixed menu of longstanding or even obsolescent programs
- Entrenched board and staff leadership
- Fragmentation of staff into fiefdoms focused primarily on individual program goals, rather than overall mission
- Few or no new revenue sources
- Outdated systems and procedures
- Inadequate planning



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All it takes is one significant change, internal or external, to send a stagnating operation into a downward spiral. Market needs stop being met; programs lose credibility; key staff and board members start to leave – one by one at first and then in droves; turf battles drain the energy of those who remain. As long-time funders pull out, cash flow slows to a trickle and then dries up altogether.

Stagnating nonprofits typically are in denial that they are becoming less effective. Therefore, leaders must be on the lookout for internal and external risk factors that can undermine operations and thwart the fulfillment of a worthwhile mission.

These include:

**Decreased Client Demand.** Established programs can outlive their relevance and usefulness. Consider the recent history of Outward Bound Inc. For three decades, culminating in the 1980s, it was the dominant player in what could be called the “self-actualization-through-roughing-it” market. At its peak, in 1986, more than 13,000 people a year were testing their mettle, grit and survival skills through Outward Bound wilderness outings. Funding growth—a mix of foundation, corporate and government dollars—was robust. But since then, according to an article in *The Wall Street Journal* (July 7, 1997), enrollment has dropped by a third and revenues have leveled.

Although the group faces what appear to be serious problems, the article explained, the root causes are relatively straightforward. For one thing, it lost touch with its markets: the 16-21 set, for whom the personal growth message has lost its luster, and the booming corporate market, which demands shorter sessions and a more behavioral orientation than Outward Bound provides. Meanwhile, competitors like the National Outdoor Leadership School and Project Adventures, Inc. began offering attractive new programs that have eroded Outward Bound’s client base.

**Accelerating Costs.** As a result of inflation or supply shortages, an effective program sometimes becomes too expensive to continue. Consider an after-school program that relies on volunteers from a local private college. As their tuition costs have soared in recent years, some volunteers have had to withdraw from the program to take paid jobs. The program will need to address this change or make significant cutbacks to its services.

**Loss of Income.** The pressure to constantly prospect for new funding sources and generate earned income is a common fact of life. Sometimes, the loss of a large government contract or foundation grant can hamstring a major program. But a healthy nonprofit can often find ways to make up the difference, do more with less or make changes that do not weaken core programs.

For example, Philadelphia’s Atwater-Kent Museum, an older city history museum that was faced with the loss of public funding, moved quickly to reassess its role in the community. It launched an aggressive membership campaign, set up a school outreach program and transformed itself from a repository of artifacts into a true cultural resource. Its efforts resulted in attracting new private sector support. A less flexible and motivated institution might well have been forced to close its doors.





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**Heightened Competition.** Competition was once associated principally with the private sector. Today, it is a reality for nonprofits, which often vie with each other – as well as with for-profit service providers – for revenue, fee-paying customers and “market share.”

Consider WQED, a public television station in Pittsburgh. In the early and mid-1990s, WQED was blind-sided by the up-and-coming cable industry, which was able to provide seemingly similar services at a lower cost to sponsors. “Local companies...that put up money to sponsor nationally produced public TV shows...have found such plugs to be costly. Many viewers can tune in to cable networks like the Discovery Channel to see the kind of programming once exclusive to public television,” reported *The Wall Street Journal* (January 17, 1994). While WQED’s problems were complex, its failure to recognize and address competition certainly contributed to its difficulties.

**Stale Leadership.** A nonprofit may lose its way when its chief executive stays on past the point or providing fresh insights and approaches. This situation can prove disastrous when the leader is unaware of the need to chart – or is incapable of charting – a plan to address some compelling crisis, such as new competition or a loss of funding. The problems arising from leadership burnout can become even worse in the absence of a succession plan.

Some nonprofits become so focused on daily operations – program participation rates, accounts payable, hours of operation – that they give short shrift to long-range planning. Provided that revenue streams continue to flow and some viable purpose continues to be served, these organizations can idle in neutral almost indefinitely. However, by occupying themselves exclusively with current activities and the minutiae of internal operations, they forfeit opportunities to grow or to improve the services they provide.

Other organizations do attend to planning, but base future projections on past revenue and service levels. To an extent, this approach makes sense; history can tell us a lot. But trend is not destiny, and managers who take their cues mainly from the past can undermine their organizations’ short – and long-term effectiveness.

The truth is that the most successful nonprofits look to the past and the future, all the while keeping close watch on what’s happening now. They understand that no enterprise can afford to follow the same course in perpetuity, no matter how sound its original mission. Each year, the ground shifts a little, the marketplace imposes new demands, new players emerge in the field, and staffing and systems need to change. To stay vital, an organization must continually monitor itself and the outside world for developments that could affect its operations, viability and effectiveness, readjusting programs and priorities accordingly.

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