

Dollars & Sense...



ABOUT THE AUTHOR...

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Larry has spent over 40 years working on behalf of non-profit organizations. A well-known development and organization development consultant, coach, and mentor, he holds an M.A. degree in Organization Development and a Ph.D. in Human and Organizational Systems from the Fielding Graduate University.

Being passionate about “transformational development,” Larry’s doctoral research resulted in the creation of Donor Value Mapping® -- a research process to help organizations increase donor satisfaction, loyalty, and lifetime value.

Having consulted internationally with clients in Canada, Europe, and Latin America, he has a special interest in fundraising, strategic management, and organizational health and effectiveness. In addition to helping design and build sustainable, high-performance development programs, much of his work entails equipping leaders and managers to successfully manage organizational change. Larry and his wife Rebecca live in Colorado Springs, Colorado.



What Makes You Strategic?

by Larry F. Johnston, Ph.D.

As someone who has helped nonprofit organizations with strategic planning for 35 years, I find it disheartening that some organizations can be so non-strategic. Much of what is called strategic planning by many nonprofits is merely *long range* planning, and a truly strategic thinker would look long and hard through many nonprofit organizational plans to find hints of what I would personally consider to be genuinely strategic.

Perhaps much of the problem relates to semantics, and that’s why visiting the dictionary might be helpful. Dictionary.com lists the following definitions of “strategic”:

1. pertaining to, characterized by, or of the nature of strategy: *strategic movements*.
2. important in or essential to strategy.

3. (of an action, as a military operation or a move in a game) forming an integral part of a stratagem: *a strategic move in a game of chess.*

4. *Military.*

a. intended to render the enemy incapable of making war, as by the destruction of materials, factories, etc.: *a strategic bombing mission.*

b. essential to the conduct of a war: *Copper is a strategic material.*

c. a plan, method, or series of maneuvers or stratagems for obtaining a specific goal or result: *a strategy for getting ahead in the world.*

Unless you find the military definitions helpful, the first three definitions would be *practically* meaningful only in light of an already articulated strategy.

So, at the risk of being ponderous, what makes a strategy truly *strategic*?

For example, one well-worn definition of strategy is “the fundamental logic by which one accomplishes an

objective.” Fair enough. But that’s a *process* definition devoid of any meaningful content.

As succinctly as I know how to put it, what makes something truly strategic is the right *criteria*. Or, more practically and specifically in terms of ministry leadership and nonprofit management, having the right *criteria for strategic choice*.

“At the risk of being ponderous, what makes a strategy truly *strategic*?”

In other words, meeting these criteria, once defined, would make something (e.g., an activity, a project, an initiative) strategic; failing to meet the criteria would indicate that whatever else its value might be, it hasn’t earned the right to fly under the “strategic” flag.

Because strategic criteria are contextual (or “domain variant,” if you want to sound scholarly), this means that what is strategic for one organization is likely to be nonstrategic or counterstrategic for others.

But with this in mind, are there broad, if not universal, criteria that would help nonprofit organizations to improve their strategic IQ and in fact be more strategic? I think so. And with no pretense of being thorough, let alone exhaustive, here’s a list you might consider as starters:

1. Does the activity (current or proposed program, project, initiative) transparently link to or derive from the organization’s *mission and vision*?
2. More specifically, can a clear line of sight be established by way of linkage with the organization’s *Key Result Areas (KRAs)* and *Key Performance Indicators (KPIs)*?
3. Does the opportunity take advantage of a *strength* or distinctive competency the organization possesses?
4. Correspondingly, does it avoid a dependence on something that is a *weakness* of the organization?
5. Does it demonstrably add *value* to key organizational stakeholders, thus

likely strengthening their *engagement*?

6. Does it *leverage* limited organizational resources? (That is, does it get good or improved “bang for the buck,” amplify the return on time and talent invested, etc.?)
7. Does it offer the opportunity to enhance organizational *brand equity* or attain a *comparative advantage* in the marketplace?
8. Does it contribute to the *internal consistency* of existing strategies? (That is, does it align in a complementary or synergistic way with existing strategies or is it tangential, possibly indicating a wild goose chase?)
9. Is the level of *risk* acceptable?
10. Is it consistent with established *policy guidelines*?

Obviously, you can add to this list, but if we were playing poker, I’d contend it’s “good for openers.”

Addressing the value of objective criteria by which assessments can be made, D.L. Moody once said, “The best way to determine whether a stick is crooked is not to debate its crookedness but to lay it down next to one that’s straight.”

Following that eminently sound counsel, the best way to determine whether something is strategic is not to debate how strategic it is, but to lay it down next to explicit and rigorously defined criteria for strategic choice.

To the extent that most of your answers come up “No,” it’s time to head back to the drawing board. To the extent that most of your answers are “Yes,” it’s highly likely that the proposed idea is strategic.

Having cleared this hurdle, whether the idea should actually be pursued, however, is an entirely different matter. That’s where other strategic decision making tools like an opportunity analysis and stage-gate models come in. And those, unfortunately, are topics for another time.

McConkey • Johnston has had the privilege of helping leading ministries to become bigger and better for nearly four decades. How might we help you?