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## The Strategy Issue

To say that much has been written about strategy feels like an understatement. A concept with origins in military theory, its philosophies and principles have found relevance in every corner of our personal and professional lives, from sports and media to politics and business.

And along with derivatives like “strategic” and “strategize,” it’s also a word that gets used an awful lot in our work as development professionals. Almost thrown around haphazardly, I have to admit I sometimes wonder if it’s not becoming overused, almost bordering on cliché. And, whether we truly have the fulsome understanding necessary to make optimal use of strategy, both in terms of how to develop it as well as how to use it as a means to guide our thinking and decision making.

Developing strategy is fundamentally about three things – understanding where you are now, establishing where you want to go, and determining what you will need to get there. Depending on scope and circumstances, this guide can be applied at any level in the organization – from the macro of setting overall strategy for the organization to the micro of setting strategy to move a prospective donor to a major gift...and everywhere in between.

A benefit of taking the time to set strategy is the focus that it provides. In the absence of a plan, we run the risk of “veering madly off in all directions” without any mechanism to weed out the right opportunities and activities from those that are unneces-



sary distractions. A thoughtful and intentional strategy provides focus by outlining what you will do...and perhaps more importantly, what you won't do.

Strategy should not be thought of as static or as a rigid roadmap that requires unquestioning adherence. Rather, strategy at all levels of the organization needs to be seen as dynamic and adaptive, as providing boundaries that are clear but flexible enough to enable, and perhaps more importantly permit, adaptation as required. And it's through the day to day decision making of the team that your strategy

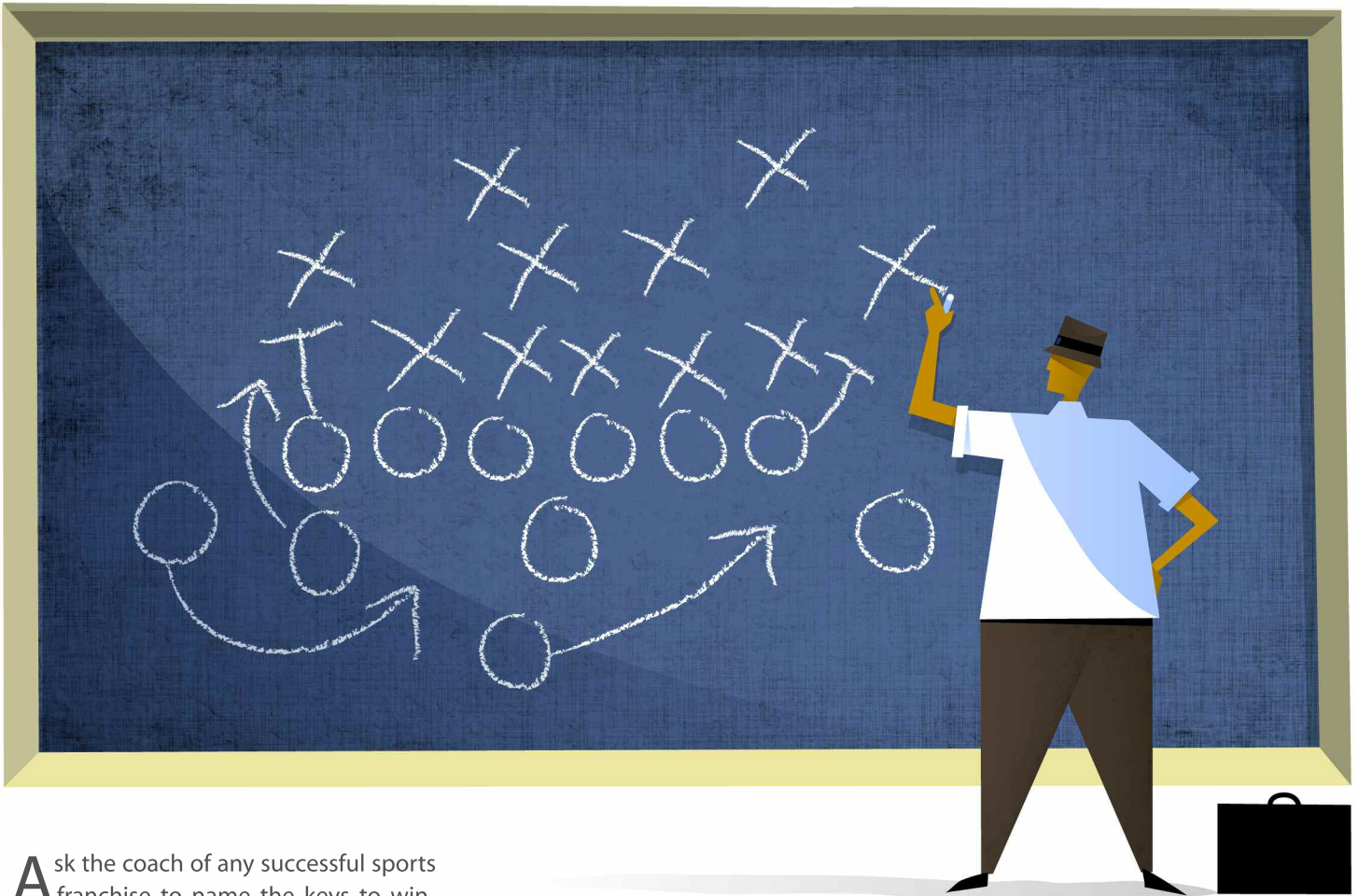
finds life and where these adaptations occur. So the strategy itself is not the only piece of the puzzle. It's also critical to ensure that those who bring it to life have the skills as well as the mindset to do it!

From all of us here at KCI, wishing you and yours the very best of the upcoming holiday season!

*Marnie Spears  
President and CEO*

KCI >>>

FORWARD THINKING



Ask the coach of any successful sports franchise to name the keys to winning. They will probably mention things like practice, hard work, solid players, teamwork...and maybe even plain old fashioned luck.

One thing they're almost guaranteed to mention?

A good game plan.

It's a given that to win in sports, you need a good game plan...or in other words, a good strategy. To maximize chances of success, it's imperative to determine how to use your time, talent and resources to best advantage. The same can be said of our own organizations. When determining what will propel us and our fundraising enterprises to success, it's doubtful anyone would disagree that creating a winning strategy is key.

Strategy must be set at all levels in an organization. And at any level, strategy ultimately boils down to planning for the future. There are some elements that are universal – there will always be some sort of assessment, goals to be set, paths to be articulated and metrics for monitoring determined. And whether developing strategy at the prospect, fundraising program or organizational level the process is as important as the outcome.

General Dwight Eisenhower might have said it best when he made the following observation; "Plans are useless but planning is everything." Developing strategy falls into a category where the outcome is almost secondary to the process - if you have a solid process, the outcome is almost guaranteed to be a success. And

when speaking of process, multiple elements are implicated, including the questions you ask, the people you involve and the specific activities you undertake.

#### **Involvement key to understanding**

Strategy finds its life in day to day decisions and activities, so the understanding and buy-in of those involved in its execution are paramount to its success.

Unfortunately, research shows time and again that most employees don't know the strategy of their organizations. The most recent example comes from the University of Technology in Sydney, Australia, which found that only 29.3% of employees from 20 major Australian corporations were able to identify their

company's publicly espoused strategy from six choices.

So, while all process elements are critical, *who* is involved in the planning is of utmost importance.

"Everyone who will be involved in a strategy's execution should have a hand in putting it together," says Suzanne Bone, President and CEO of The Foundation of Guelph General Hospital, acknowledging that the scope of the strategy will determine the breadth of involvement. "Not only does involvement help ensure that everyone has information about what the strategy is, it also creates a sense of ownership and accountability for the role they will play in making it happen. And finally, it helps everyone, whether a board member or a data processing clerk, feel that their contribution is important and respected."

Bone also believes that an organization's strategy should be thought of as its language. By engaging in a common conversation, everyone learns the "language" that the organization will be speaking over the next months and years and also helps ensure that it is "spoken" throughout the organization. Keep the language alive and vibrant by regularly revisiting the elements of your strategy at the management table and encourage staff at all levels to see it as a means to guide their thinking when making decisions and solving problems. Also keep the strategy front and centre as part of discussions and meetings with the Board and other volunteers.

“*If one does not know to which port one is sailing, no wind is favourable.*”  
*Lucius Annaeus Seneca, Roman Stoic philosopher, statesman, dramatist (ca. 4 BC – 65 AD)*

### Asking the right questions

In setting strategy of any kind, three areas need to be unpacked, examined and resolved - *Where we are now? Where do we want to go? What do we need to do to get there?* As the fundamental underpinnings of any strategy, these three questions should guide conversations as well as help determine what you need to know and find out in order to best answer them.

Dr. Jim Murray, founder and CEO of *optimal solutions international*, cautions that even within this simple framework there is a tendency to get bogged down by complexity. "We've found ways to make strategic planning ever more complex and have made it harder on ourselves by over complicating how we find the answers to those questions," says Murray, who has over 35 years of experience as a strategic planner. "Take the *Where are we now?* question. It has evolved into planning tools like Situational or Perceptual Analysis, SWOTs, Environmental Scans, and the like. Unfortunately what can happen as a result is "infoglut" rather than insight, something that can keep us trapped in analysis."

Murray's caution is important. All the different tools available today for gathering information can leave us drowning in data. Preventing that from happening means staying focused on the goal of data, which is to inform thinking and generate insights.

To maximize its potential to generate insight, data must also be approached with a spirit of curiosity, a mindset that Larry Chester believes should guide all aspects of strategy development. Founder of Process Design Consultants Inc., Chester has assisted organizations with strategic planning in the for-profit and public sectors for the past 25 years.

“*Strategy 101 is about choices: You can't be all things to all people.*” *Michael Porter*

"Curiosity should underpin all aspects of strategic planning as it's hard to ask good questions when your head is already filled with answers," says Chester. "Good planning also requires being open to possibilities, so acknowledging any biases brought to the table, be they individual or group is critical as well."

Chester also suggests that the customer, or in the case of a charitable organization the donor, needs to factor strongly into the equation. "When setting strategy, we need to ask ourselves questions that provide insights into our donors: *Who are they? What do they want from us?*," says Chester. "Once we understand the answers to those questions, we can then head down the road of how we are going to deliver to them, what are the capabilities we need to do that, what do we need to improve and so on."

While setting goals and identifying where you want to go are important, be careful that your strategy work doesn't simply end up a glorified goal setting exercise. In the words of Peter Drucker, "Whats without hows isn't planning, it's merely wishful thinking."

Gary Durbeniuk, Vice President (Development) at the University of Calgary believes that strategy must be able to answer the question "*How are we going to get there?*" "Strategy needs to outline the specific actions that will be undertaken, identify the timeframe, articulate the duration, as in whether is it a 30 day, 60 day or 2 year strategy as well as assign responsibility," says Durbeniuk. "Accountability must also be clear and that accountability has to be communicated throughout the organization so that those (continued on page 5)

## The Expert Viewpoint: Interview with Dr. Jim Murray

To help sift through all the elements related to strategy and its development, we interviewed Dr. Jim Murray, founder and CEO of *optimal solutions international*. With career achievements that include executive posts in academe, consulting and the international marketing communications industry, Dr. Murray has over 35 years of experience as a strategic planner.

### **Q: How do you define strategic planning?**

Strategic planning involves a logical, pre-determined and comprehensive sequence of activities aimed at making the right choices about the evolving nature and future direction of the organization. The resultant plan enables sound resource allocation, parameters for the operational (or annual business) plan and macro-level benchmarks for measuring progress and performance in serving client needs.

While progressive, strategically inclined organizations are always cognizant of best practices, success in planning for the future requires a structured and deliberate process that acknowledges the nature, dynamics and history of the business and that prizes the principles of strategic management.

Ultimately, I don't see the purpose of strategic planning as producing a "master plan". Rather, the purpose should be to teach people how to think strategically every day...by asking the right questions and measuring progress in everything that we do.

### **Q: What are the keys to developing great strategy?**

The first step is to understand and embrace the principles of strategy development, which are:

- If it's not measurable, it's not strategic.
- If it's not written, it's not a plan.
- If it's not in an approved plan, it's not actionable.
- If there's no accountability, there's no approval.
- If someone doesn't own it, then no one owns it.
- If there's no buy-in, the plan is either flawed or pointless.
- If it's not integrated, it's not focused (and therefore it's inefficient).
- If it's not aligned and actionable, it's just an interesting idea.
- If it doesn't serve our strategy, it doesn't serve a purpose.

The objective of these planning principles is to ensure, through repetition, reinforcement and reward, the adoption of a strategic mind-set in the conduct of business. If the planning process is to be effective and sustainable, the infrastructure and these basic principles must be the paramount considerations.

### **Q: How can organizations build flexibility and adaptability into their strategies? How can organizations find the balance between "head down focus" and "head up observing"?**

I think you always have to have your head up. Yogi Berra once said "You can

see a lot just by observing." My advice is that executives today need to be plugged in – that's what I talk about in Smart Leaders – a four-day program on thinking and innovation skills (for details, see [www.SmartLeaders.ca](http://www.SmartLeaders.ca)). A smart leader is one who is "plugged in" to the future; the ability to see critical choices across multiple dimensions and create powerful new insights.

### **Q: What are misjudgments/misnomers about strategy? What pitfalls would you suggest organizations need to avoid?**

Strategy should be a dynamic, continuous, inclusive process – less about ...

- *Less about strategic intent and goals;* more about problem solving;
- *Less about prediction;* more about risk taking and adapting (or building resilience);
- *Less about top-down determination;* more about engaging the entire organization.

Everyone must understand, embrace and give feedback on its execution and so the entire team, not just the manager, should be responsible for the development and the deliverables.

### **Q: How do organizations know it's time to set new strategy?**

The best time to revise your strategy is when things are going well. When it's going poorly, it's more often than not too late. As noted, it should be continuous not episodic. It's what the executive team is responsible for – their *raison d'être* – solving real problems in ways that people can understand, such that they can execute.

responsible have the authority they need to be able to execute.”

Durbeniuk also believes that strategies should be tested to ensure they truly hit the mark. “Sometimes as we go through the strategy development process, we can become too attached to our thinking and what we’ve come up with. Asking for a reality check from others in the organization or the department, saying ‘tell me why I’m right and also tell me why I’m wrong’ is a really helpful exercise.”

Because strategy is developed at all levels of the organization, Mary Williams, Vice President Advancement at McMaster University also believes that integration is key to any great strategy, something that guides how strategy is developed throughout the Division of Advancement. “When we approach our long range Advancement planning we start by ensuring it aligns with the goals and vision of the university,” says Williams. “We also integrate it with other functions at the university, and so our planning

“*Whats without hows isn't planning, it's merely wishful thinking.*” Peter Drucker

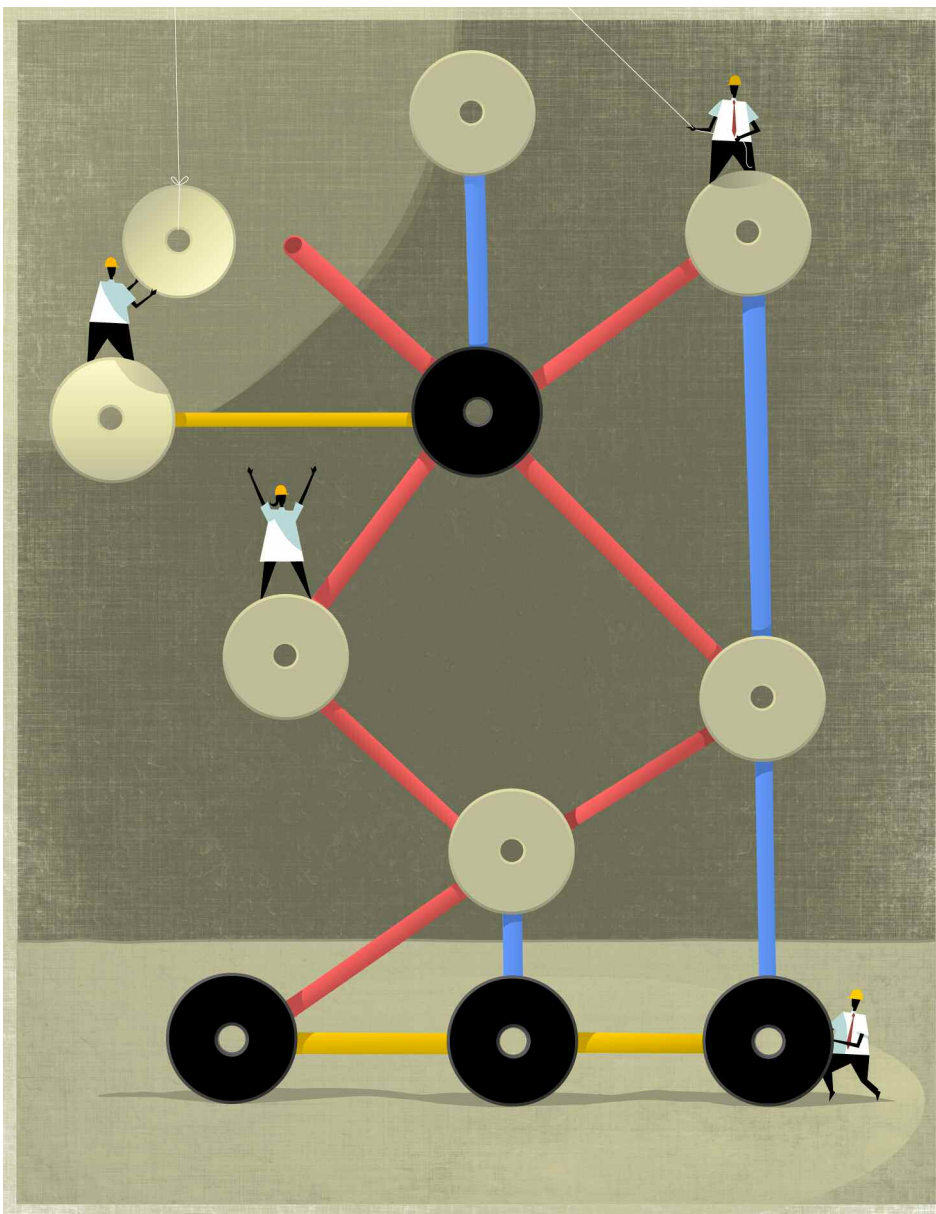
doesn't focus solely on our philanthropic strategy but also on how it will intersect with opportunities in areas like government relations, alumni relations or marketing and communications.”

This spirit of integration is carried throughout the Division itself. “It's very easy to send each functional team away to build their own plan. While that has to be done to a degree, goals and key success factors cross team boundaries,” says Williams. “Take for instance the university's reputation. It's easy to say that this key success factor sits with public relations. While PR is certainly the lead in that space, alumni relations, government relations and philanthropy all play a role here as well. So everyone builds their plans to consider all the key success factors that have been identified as critical to the university's advancement, even if it's not something for which they are directly responsible.”

### What could go wrong?

In setting strategy, identifying and mitigating risk must be part of the equation. And the right approach to risk can probably be summed up by the adage “the best defense is a good offense.”

Building conversations about risk factors into the strategy development process is imperative. Identifying the things that can go wrong and looking for ways to proactively mitigate against them is an important means to “failsafe” your strategy. It also has the side benefit of helping to build commitment. By putting “what could go wrong” on the table and addressing what is identified, not only is your strategy stronger but confidence in the plan will also increase.



## Inspiring Stories: Turning insight into innovation

Innovation is often cited as part of a good strategy. And if you keep your eyes and ears open to the insights gleaned through your strategy development process, innovative ideas emerge with relative ease. Take the example of the award winning 2012 advertising campaign that Leo Burnett created for IKEA in Quebec.

In Montreal, a large number of rental unit leases expire at the end of June. This results in the annual phenomenon known as the Fête du déménagement (Moving Day), where up to 13% of Montrealers pack their belongings and move over the July 1 weekend. And so, IKEA asked its ad agency Leo Burnett to come up with an advertising strategy to attract shoppers

and increase sales on a weekend when its customers and their attention tend to be focused elsewhere.

To come up with a strategy, the team at Leo Burnett found insight in two ways. First, by empathizing with the struggles inherent in moving on the same day as a large proportion of the population, they realized that moving companies and packing boxes would be in short supply. And second, they took inspiration from the core brand purpose of IKEA, which is to create a better everyday life for people.

Using these insights the agency came up with an innovative new way to increase store traffic and sales. The classic approach would have been to

buy radio time or distribute flyers. Instead, the agency created a new form of media – the packing box. By building massive pyramids of free boxes around the city, the campaign encouraged people to help themselves. And not only were the IKEA-branded boxes printed with moving tips and checklists, each box also included coupons for dinner at IKEA and discounts at the store.

By focusing on ways to engage with its customers – rather than trying to push a message out to them – the strategy was a way for IKEA to tangibly demonstrate that it wants to make life better for them. And the results speak for themselves – year-over-year increases of 14 percent for in-store visits and 24.5 percent for sales.

When introducing new, untested or experimental strategies, be cautious and beta test. And remember that new ways of doing things tend to require new skills and behaviours, something that can easily be overlooked. So, take the time to help employees get the skills and training they need to successfully do what is now being asked of them.

“**Change before you have to.**  
Jack Welch”

A “sight” helpful to mitigate risk is foresight, a concept probably best described by the words of the inimitable Wayne Gretzky; “I play to where the puck is going to be, not where it has been.” While no one has a crystal ball to predict the future, looking ahead is critical. Watch for signals generated by trends, whether they be consumer, demographic, technological or philanthropic, and also discuss how they may evolve over time. When



looking to interpret those trends and what they might mean, seek the input of those who understand them well. For instance, don't try to understand the world of social media without consulting your Gen Y staff and volunteers.

The other instance when foresight is helpful is in determining when it's time for a new strategy. As Jim Murray notes in *The Expert Viewpoint* (page 4), “the best time to revise your strategy is when things are going well. When it's going poorly, it's more often than not too late.” While recognizing that strategy should

“**It wasn't raining when Noah built the ark.**” Unknown

evolve continuously, watch out for things like significant changes in performance as an indicator that it may be time for a rethink. Another key to knowing it is time to adapt is to heed warning signs and signals, which is why performance metrics and implementation milestones should be built into the plan.

The assumptions that have factored into the plan's development must also be clearly identified. Not only is it important to understand what they are, documenting them provides a means to test the ongoing relevance of the strategy by regularly assessing if the assumptions are still valid.

### Recalculating...

With the notion “don't wait until it's too

late" to guide thinking, a key to successful strategy is ensuring that it is allowed to adapt and evolve.

Think of the GPS navigation system used in most cars. One of its benefits is the ability to "recalculate" the route when it encounters unexpected detours and road blocks. Because things don't always go as planned in our work lives either, we need to think about how we can foster that same GPS-responsiveness in our strategies.

**“Strategy without tactics is the slowest route to victory. Tactics without strategy is the noise before defeat.”**  
*Sun Tzu, The Art of War*

There may be no better example of what it means to be adaptable than The Canadian Red Cross. Whether responding to the train derailment in Lac Mégantic, evacuating 100,000 residents during the

floods in Alberta or providing assistance in the aftermath of the typhoon in the Philippines, its work in disaster relief means that it has to be ready to change on a dime, something that has implications on all departments including fundraising. "Being able to shift gears quickly is bred into our organizational DNA," notes Michel Léveillé, Director General, Quebec Division and national executive lead for fund development. "Also in our DNA is taking the time to fully debrief

## The Seven Saboteurs of Strategy

When developing strategy, there are certain thinking habits or self imposed limitations that can easily sabotage a positive outcome. As a result, it's critical to keep an eye out for these **"Seven Saboteurs"** when developing strategy of any kind.

**1. Forgetting about the donor** - When setting fundraising strategy, particularly at the organizational or programmatic level, watch out for the tendency to be too inwardly focused to the exclusion of your donors. There can be a tendency to focus too much attention internally on how different departments will work together and how to find efficiencies to the exclusion of the ultimate source of success – our donors.

**2. The "Program Trap"** - Planning and strategy development can easily slip into the trap of looking solely through the lens of the fundraising program or department, like major gifts, annual fund, special events etc. Thinking of future growth only in those terms can be limiting, can easily stifle innovation and miss the identification of new opportunities.

**3. Falling between the cracks** - Related

to the Program Trap, when opportunities don't fit within the confines of how the organization is structured, they can be missed, falling between the cracks of organizational structure. Even if they are identified, there is often no mechanism to give them voice as people don't know what to do with them because it's not part of their job or portfolio.

**4. The Rearview Mirror.** Looking back at past performance is critical to understanding where you find yourself today. It can also be one of the most useful ways to understand what donors are saying based on the performance of various fundraising programs. However, successful strategies set us up for the future, so it's critical to balance the look back with a healthy dose of foresight and consideration of what the future will bring.

**5. Blind devotion to the status quo** - Sometimes when setting strategy, we can be faced with some brutal truths about current performance and must be able to acknowledge when it's time to change. There can be a variety of reasons for diminished performance, but drops in revenue can be an indication that donors are trying to say some-

thing. It is imperative to get beyond pride in "what we are really good at," which can blind people to the changes that are happening in how donors are behaving and what they value. Be careful not to turn the "way we've always done it" into a ball and chain that holds the organization back.

**6. The Assumption** - While it goes without saying that assumptions are a given in developing strategy, it is critical to acknowledge what assumptions have been made in setting the strategy. As you monitor the strategy over the course of its life, revisit those assumptions regularly to ensure they continue to be valid.

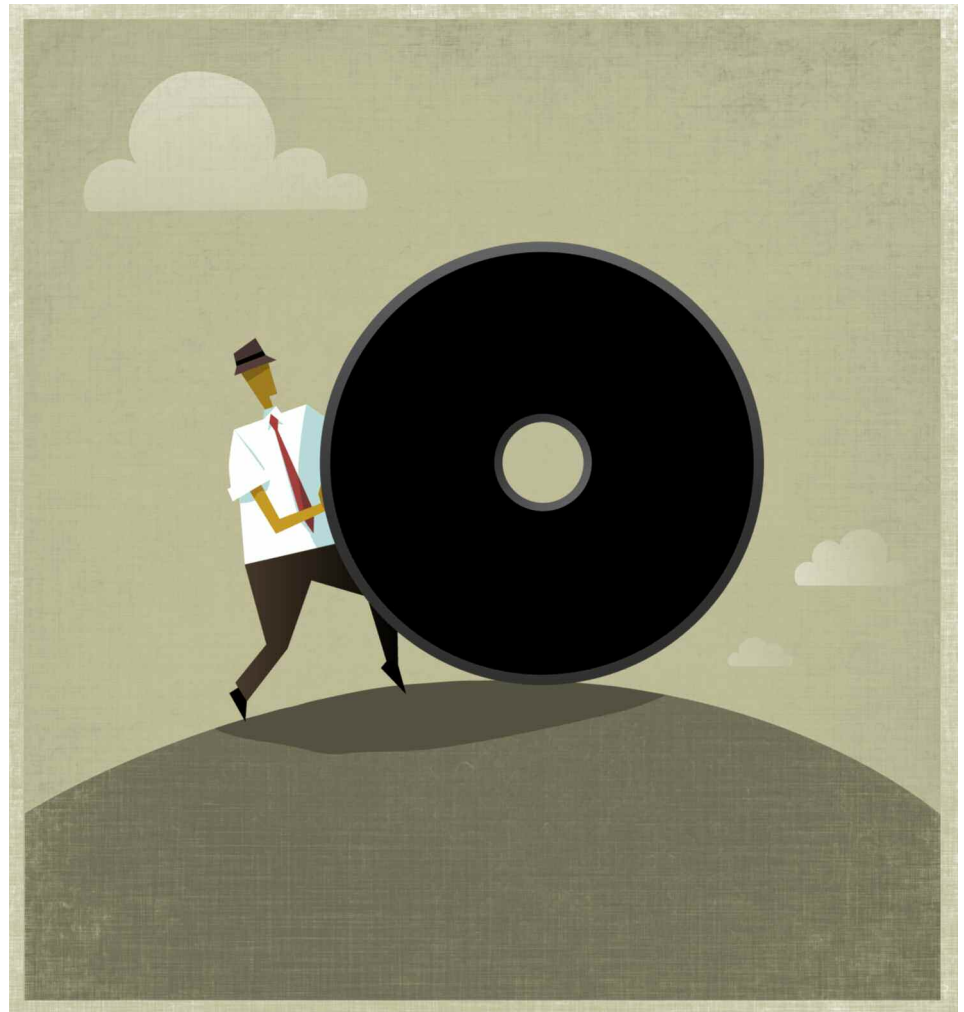
**7. "We've tried that before..."** - Beware the tendency to negate ideas that were tried in the past without success. Setting strategy is about being open and curious and it's almost impossible to ask good questions when you feel you already have the answers. While certainly possible that the idea is still ill advised, beware the tendency to dismiss it out of turn because it was unsuccessful in the past. Things, and people, may have changed since then.

after every operation and appeal, discussing what we've learned, what we would do again, what we would do differently next time. This culture ensures that we are able to respond even better the next time and keeps us in a mode of continuously evolving how we get things done."

Mary Williams points out that being able to adapt and evolve strategy is also determined by the people who are brought into the organization. "At McMaster, we believe being able to think strategically is an important competency for all staff as every person brings strategy to their work, no matter what the work is," says Williams. "So when we recruit team members, we look for people who either bring that competency to the organization or who we believe has the ability to further develop it."

**“It is not the strongest of the species that survives, nor the most intelligent that survives. It is the one that is the most adaptable to change.”** Charles Darwin

One final note about strategy. The simpler the better. If a strategy is too complex, not only will it be challenging to execute, it likely won't be understood by those involved in its execution. There is a school of thought that suggests that any strategy should be able to be articulated in 35 words or less.



With that in mind, poll the staff and volunteers in your own organization to see if everyone says some version of the same thing if asked "what is our strategy". Not the mission or goals, but rather where are we trying to go and how will we get there. Hopefully they will say the same thing. If not, may be time for a new strategy! >>

**“However beautiful the strategy, you should occasionally look at the results.”** Sir Winston Churchill

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Aussi disponible en français. Illustrations by Rocco Baviera.

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