



*The World Voice for Families of the Mentally Ill.*

# **ORGANIZATIONAL STABILITY:** ***Business Planning for the Future***

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## **Organizational Stability: *Business Planning for the Future***

Organizational *instability* is the most common problem in the nonprofit sector. Staff come and go, taking with them important parts of the organization's knowledge. Members' interest is hard to retain over a long period of time. There are areas of strength in an organization, but also areas of weakness. There are financial concerns. Always financial concerns. And for family-run organizations, there are the hundreds of other pressures vying for their time and energy. Getting a family organization started is hard enough. Thinking about how to maintain and even grow the organization in the long term is even harder.

This is where business planning comes in.

A business plan takes all of the energy and motivation in the organization and channels it into a well thought out detailed plan. When done well, it covers each aspect of running an organization, ensuring a balanced effort is directed towards these areas, and it focuses on the key areas required to reach your goals. Just the act of writing a business plan, even if it is never opened again, will help clarify where the energy in an organization should be spent and will make sure everyone is on the same page.

**The first step is strategic planning.** Strategic planning is a chance to look outside of 'the way things are done' and take a fresh look at problems with the new information and learning that has been acquired since the last strategic planning efforts; to learn about your environment, and to learn about your impact on your environment. For example, the needs of families in your area would be very different before the organization existed; now that there is a family organization, new and deeper needs may present themselves, and you need to step back and look with new eyes at the needs of your families.

Strategic planning is a chance to involve your stakeholders. This includes your families, staff and board members, funders – anyone who has a stake in your organization. Ask them what you do well and what you don't. Ask them what is important to them. What has changed since you last looked out your window? How well are you meeting the needs of your families? Given the changes in the environment, what should you be doing? From here, a guiding compass – the vision and mission – is developed. The compass should create energy around a common vision of the future and how you are going to get there. This is your opportunity to dream; to picture the world as you would like to see it.

Next you need to develop the road map: strategic priorities and definite goals. What do you need to do well to support your mission and achieve your vision? How will you know when you have been successful? Set targets.

By using balanced strategic priorities, you ensure that the organization will grow holistically. Use the following four priority areas to guide you:

1. *Internal business processes.* Which internal business processes do you need to excel at? This could be communications, running support meetings, knowledge sharing,

- networking, advocacy, etc. Try and choose only the one or two key areas that need your attention, and set out what needs to be done.
2. **Financial.** What area of finances need your attention? Often, nonprofits need to focus on diversifying their income sources or building unrestricted funding. Research what others are doing and build a plan that provides stable, long-term support.
  3. **Human Resources.** What skills do you need in the organization to achieve your mission? List the skills you have and compare this to the list of skills you need. Where can you find any additional skills that you do not currently have? Can you find them in a volunteer? Can you buy these skills somewhere else (for example, law firms, accounting offices)? Do you need to have a full time employee with these skills?
  4. **Family Needs.** How will you assess family needs and integrate them into your programming? How will you communicate what needs you can and cannot meet? If you gather input from people, be clear on which ideas you can integrate, and why you cannot use the other ideas at this time.

Once the strategic plan is developed, now a three year business plan can be created. This is your chance to be practical, to examine, and if need be, adjust your goals. The business plan interprets the strategy, translating it into everyday activities and new initiatives. Special focus will be given in the business plan to the strategic priority areas that were identified in the strategic plan.

A business plan should cover each of the following areas:

**Business Overview**, including your strategy, main activities and how they support your mission, and other details unique to your organization.

**Market Analysis.** This includes the assessment of your stakeholder needs, as well as a review of the political landscape, important changes to the health or mental health system, and other organizations working towards the same vision as you. It should finish with a discussion of your organization's place in the community – how you fill an important unmet need.

**Marketing Plan.** A marketing plan should include your target audience, what you hope to achieve by reaching them (ie. new local families join your organization), and the message you will deliver, a message that is consistent with your mission. Then, it should detail all of the avenues and means of marketing that you will use. Be creative. Marketing can be a hugely expensive part of your organization, but it doesn't have to be. For example, attend and speak at other community group meetings, invite media to attend your events, distribute your materials at community centres, write articles for newsletters and journals that reach your target audience, ask doctors to recommend your group to the families they meet. Many times, these methods are even more effective than large advertising campaigns that reach all the wrong people.

**Operations** will detail the organization. How are the services delivered? Detail what is required to achieve the goals for your *Internal Business Processes Priority*. Will new services be implemented? What *Human Resources* do you have, and what resources will you need to develop over the next few years? Include staff, volunteers, and board members in this, and decide whether you will hire, recruit or train for the skills you don't have. Be sure to include non-program related skills, such as financial, management, marketing and sales, fundraising, etc. The Operations section should also include how the organization is governed, and what criteria

will be used to evaluate success. Include a timeline, which lays out a three year plan to slowly implement each of your priorities.

**Financial Analysis** is often hard for organizations to put on paper. Once you get past the fact that it will be wrong, and it will, then it is a very useful discipline. How much money do you need to run the organization in its *ideal* form? If you can't say how much you need and what you need it for, you will never be able to convince a potential funder that you need it. Plan what you need for the next three years. Plan for growth, new services and new skills. If you want to add new programs or double the number of families you serve, this will require more staff, which will require more money. And don't forget to include the details of how you will approach your *Strategic Financial Priority*. For example, if your priority is to diversify your income sources, then what percentage of your money do you want to come from different sources (government, foundations, individual donations, membership fees, product sales)? How will you build each of these sources?

**Risk** is where you plan for everything that could possibly go wrong. List everything you can think of, and then go back and write out what is being done to prevent each of these things, and what will be done if it happens anyway. Writing a business plan is a risk mitigation strategy in itself. A carefully thought out plan will prepare you for many of the 'what ifs?'

**Now you are ready to implement.** Every year, review your progress – don't leave it until the next strategic planning session years from now. Look at your environment. See if you met your goals. The answer will almost always be: not entirely. The important thing is to ask where did we go wrong and what did we do right? And then adjust what you are doing. Re-implement. In this way, the business planning cycle allows for constant evaluation and change in the organization. If you have never written a business plan before, the first one will take some time. But it will get easier every year, and it will also make the organization run smoother, saving you time in the long run.

A solid business plan will act as an anchor for your organization as you create and respond to opportunities. It ensures that while your focus is in one area, there is still a plan to cover all of the other areas of an organization. This is the essence of stability. All areas of an organization must grow together, and focus must be divided. Using this process, organizational growth is rooted in an existing organizational structure, ensuring that all energy is focused on fulfilling the mission in the most effective way possible.