



THE FOUNDATION BOARD PLANNING JOURNEY

As the foundation board considers the creation of a strategic plan to guide the health care foundation, there are several priorities and moving pieces to consider across the strategic planning journey.

Determine the Planning Agenda. Decide what is needed out of the planning process. Core outcomes of a plan include vision, mission, values, goals and strategies; however, the vision, mission and values do not necessarily need to be refreshed each time. Other common elements include market analysis, competitor analysis, SWOT (strengths/weaknesses/opportunities/threats), accountability metrics / scorecards, implementation timelines / Gantt charts, assignments and budgets.

Select Champions for Planning. The composition of the strategic planning body varies with organizations using formal board strategic planning committees, foundation board executive committees, entire foundation board membership or special task forces that include stakeholders and allies beyond the board. The formal structure of the group does not

really matter as long as the foundation board feels the process allows it to appropriately discharge its governance role, includes an appropriate diversity of stakeholder perspectives and has the knowledge and discretion to create a solid plan.

Establish Current Status. Strategic planning begins by looking inward at the current status of the organization to realistically gauge where the organization is currently successful and where it falls short in various efforts toward fulfilling its mission. This is a point in the process at which the board not only celebrates successes but also aims to review performance as objectively as possible to identify opportunities for growth and improvement and to spot efforts that should be stopped or reworked. In preparing an objective evaluation, it can be helpful to consider not only

qualitative information but also the foundation's financial performance relative to a range of accepted benchmarks that are released annually by professional fund development associations and think tanks.

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Determine the Environment. Once the current situation is assessed, planning turns outside to consider the environment in which the organization works, the competitive landscape and the priorities and forces shaping the health care and fund development fields. During this external phase, it is essential to examine current and emerging industry best practices to ensure the foundation is pursuing the most vibrant fund development opportunities to achieve its work; the health care fund development field has changed radically in recent years,

The Foundation Board Planning Journey

and organizations that are not proactively seeking out current and emerging practice are susceptible to falling behind. During this stage of the process, many organizations also assemble research around the performance and priorities of both local competitors in the health care fund development or nonprofit fund development space as well as information about health care foundations that are similar in size, staffing, budget or other factors regardless of geography. Many organizations will also use discussion tools, such as SWOT, to reflect on various aspects of their internal and external environment.

Select a Planning Methodology. There are many, many approaches to effective planning. The organization should seek to find and select a planning framework or methodology that is systematic and enables it to generate, process and prioritize a range of ideas. Various methodologies differ in their intensity of focus on issues, scenarios, competitive forces, stakeholders or outcomes. Approaches also vary in the time needed for planning and the outcomes or objectives generated by the process. Ideally, board and management should collectively select a simple and versatile framework the organization can utilize on an on-going basis.

Determine the Need for a Consultant. Many foundations choose to use an external consultant to facilitate their planning process. A consultant can deliver value through objectivity, a broad perspective of the health care fund development field and experience in leading a strategic planning process. Using a consultant also frees up board members or the foundation executive to participate in the process – rather than facilitating it. Consultants offer the most value in ensuring objective evaluation and in surfacing strategic opportunities. However, foundations may also be able to secure free planning resources from the health care organization strategic planning or organizational development departments, from the local center for nonprofit management or through organizational allies.

Develop a Baseline of Knowledge. The foundation exists at the nexus of two complex fields: health care and nonprofit fund development. Thus, to be optimally effective, the board needs to ensure it has access to educational resources or training to provide knowledge and context for the planning process. For example, it is important that the board have a meaningful grounding in current best practices and emerging issues in the health care fund development field. Ensuring an appropriate level of knowledge is generally achieved through both year-round board educational opportunities as well as intensive training sessions during retreat experiences or as a set-up to the planning process.

Generate Bold Ideas. Great ideas are the lifeblood of a great plan, and generating great ideas is where having stakeholders with a diversity of perspectives and expertise in the room adds significant value. The most important element of the planning process is generally around surfacing opportunities for the organization's growth, expansion and improvement—since what you come up with here is all you are left to work with going forward. Planning participants often begin idea generation sessions with articulating a vision of what the organization would do, be, achieve or have if it achieved its potential. Then, leaders consider what actions, programs, resources, competencies and capabilities would be needed to enable the achievement of that vision. This is a time in the planning process when bold visions and astute reflection help the organization grapple with what it will take to most vibrantly fulfill its mission. Most boards accomplish this through a structured and facilitated brainstorming process where no idea generated is “wrong” and all ideas are honored as possibilities.

Pressure-Test and Prioritize. Once idea generation has occurred, the group must then pressure-test ideas, weigh alternatives and make realistic choices about plans. At this point, it is also valuable to heed the wisdom of Harvard University business and strategy guru Michael Porter who famously said the “essence of strategy is choosing what not

The Foundation Board Planning Journey

to do" and business thinker Jim Collins who urges leaders to create a "stop doing" list. Essentially, the organization doesn't have the time, people, money or attention to do it all—so tough choices must be made. At this point, foundation board members are urged to put everything on the table: don't assume last year's programs or the well-beloved event make the strategic cut. Leaders should leave this point of the process with a prioritized list of what must be done. Often, a list has items to do both now and in 24 to 36 months ahead.

Formalize Acceptance. The final plan should be presented to the entire foundation board for discussion and for consideration of acceptance. A vote to accept and endorse the plan should be noted in the organizational minutes. Boards often list the names of all members who voted for the plan in the final version of the planning document. Through a vote of acceptance, the board demonstrates its endorsement of the rightness of the plan, ownership and commitment to execution.

Communicate the Plan. The foundation board often collaborates with foundation management to share key elements of the plan with key stakeholders whose ownership or assistance is needed.

Drive Accountability. After the plan is accepted and endorsed, the board's role pivots to accountability. Boards generally schedule regular updates in committee or board meetings to evaluate plan progress, outcomes and performance against key indicators. The board must also be prepared to revise the plan as needed to adjust to evolving circumstances, to mitigate changing assumptions and to respond to emerging opportunities.

About the Author:

Betsy Chapin Taylor, FAHP, Betsy@AccordantPhilanthropy.com is president of the health care philanthropy consulting firm Accordant Philanthropy.
