

Appendix A: Glossary

The following list includes many of the most common terms used in strategic planning. Note that many planners might have a different interpretation of a particular term, especially if they prefer a specific approach to strategic planning (goals-based, issues-based, organic, etc.). The most important requirement around the use of strategic planning terms and concepts is that the facilitator and planners share common interpretations, at least during the planning process. Therefore, the facilitator and planners should discuss the meaning of terms before they use them. A good starting point for this useful discussion is to conduct a brief training about strategic planning before the planning process gets underway. Usually the facilitator can guide this training. Perhaps the most useful role of a definition is to provide the facilitator and planners a common point of reference around which to select their own interpretations.

Action plan

The action plan lists the specific actions that must be taken, by whom and by when in order to achieve an overall goal or implement a strategy. Some people include the costs of each action in the action plans, resulting in budget information being included in the action plans, as well. (Action plans for Board Committees or top management are sometimes called work plans.)

Board of Directors

A Board is the group of people who are legally charged to oversee the operations of a corporation, whether for-profit or nonprofit.

Chief Executive Officer (CEO)

The Chief Executive Officer reports to the Board of Directors, and is the staff position to whom all other staff (non-Board members) report. Some nonprofit organizations include the CEO as a member of the Board.

Clients

Clients are the people who directly receive the benefits from the services of a nonprofit. They might include, for example: attendees to an art show, members of an association, citizens attending a civic event, grantees of a foundation, patients in a hospital, members of a congregation, students in a school, participants in social service programs or patrons to a library. Primary clients are the people who directly benefit from the services of the nonprofit. Secondary, or supporting, clients are people who indirectly benefit from the services.

Driving forces

These are various, major influences, usually external to the organization, that must be considered when conducting an external analysis, especially environmental scan activity. There are numerous driving forces, and are usually organized into categories, including political, economic, societal, technological and environmental.

Environmental scan

(See external analysis)

External analysis

This form of analysis includes examining the opportunities and threats that might affect the organization, often by using various assessment tools to assess, for example, various potential changes to driving forces, stakeholders, competitors and collaborators. External factors are those outside the control of the organization. The external analysis and internal analysis comprise the situational analysis. The external analysis, especially analysis of various driving forces, is sometimes called the environmental scan.

Facilitator

The facilitator helps planners to develop their strategic planning process and move them along in that process. The facilitator also intervenes when the group seems to be deviating from the process, for example, breaking one of their ground rules.

Goals

A goal is a specific accomplishment to be achieved at some point in the future. Planners often distinguish between several types of goals in the strategic planning process.

An outcomes goal is in regard to accomplishments of clients who participate in a particular program. Outcomes are changes in knowledge, skills and/or conditions for the clients.

An activities goal is in contrast to an outcomes goal and is in regard to actions to be accomplished by the organization.

An organization-wide goal is an overall accomplishment in regard to actions across the organization and often involves more than one program.

A program goal is an overall accomplishment in regard to actions in a specific program. The goal can be an activities goal or outcomes goal.

Goals-based strategic planning

This form of strategic planning places heavy emphasis on identifying clear, overall goals that the organization must address in its strategic planning. Goals are usually identified in reference to the organization's mission, vision and/or values, and results of the situational analysis. Goals-based strategic planning is in contrast to issues-based strategic planning in which planners place heavy emphasis on addressing strategic issues.

Internal analysis

This includes examining the strengths and weaknesses of the organization, often by using various assessment tools to examine the quality of internal aspects of the organization, for example: the Board, strategic planning, program planning, financial management, fundraising, human resources management, evaluations, etc. Internal factors are generally those considered to be under the control of the organization. The external analysis and internal analysis comprise the situational analysis.

Issues (strategic)

Strategic issues are very important challenges that the organization must face, often in the forms of weaknesses of the organization and pending threats to the organization. Identification of strategic issues often results from external and internal analyses, which, together, comprise the situational analysis.

Issues-based strategic planning

This form of strategic planning places heavy emphasis on identifying overall issues, or priorities, that the organization must address in its strategic planning. Issues-based strategic planning is in contrast to goals-based strategic planning in which planners place heavy emphasis on addressing strategic goals.

Mission (statement)

The mission statement describes the overall purpose of the organization. It should concisely describe the type of services provided by the nonprofit, the groups of clients served by the nonprofit and sometimes how the nonprofit generally provides those services. Some planners refer to the vision and/or values statements as part of the mission statement as well.

Nonprofit

A nonprofit organization exists primarily to meet a community need. An informal nonprofit is a group of people who gather to work on usually a short-term need in the community, for example, to clean up the neighborhood streets. A “chartered,” or incorporated, nonprofit has filed with the appropriate government agency to be a legal entity separate from the members of the organization. A tax-exempt nonprofit has attained status from the appropriate government agency that allows the nonprofit to refrain from paying certain federal, state (provincial in Canada) and/or local taxes. A tax-deductible nonprofit has attained status from the appropriate government agency enabling it to receive donations and allowing donors to reduce their tax liabilities based on the amount of their donations.

Operating plan (annual plan)

The operating plan is focused on the goals, strategies, action plans and budgets of the organization, specifically over the next year (either 12-month period of fiscal year period). A strategic plan often spans several years, and the first year of the strategic plan period is planned and described in more detail than the other years in the strategic plan. The detailed first year is often included in a plan document called an operating (or annual) plan that is separate from the strategic plan. Some planners refer to the operating plan as the set of action plans, but this usually is not the case in nonprofit planning.

Operational

Operational activities are focused on the day-to-day, or short-term, activities. This is in contrast to strategic matters (see “strategic”). In reality, the continuum between strategic and operational can become quite blurred.

Organic strategic planning

This form of strategic planning places heavy emphasis on meeting regularly with stakeholders to establish mission, vision and/or values statements and then identifying short-term actions that can be taken in order to adhere to the statements.

Outcomes (results)

Outcomes are changes in clients that result from participating in a nonprofit program. Outcomes can be short-term (usually changes in knowledge), intermediate (changes in skills) and long-term (changes in conditions). Outcomes are the real results that nonprofits aim to accomplish and that the community expects from their nonprofits.

Planners

These are members of the nonprofit organization who are directly involved in conducting the strategic planning process. Occasionally, planners include others outside of the organization, such as funders, community leaders, etc. Facilitators help the planners to develop and follow their own planning process.

Planning Committee

The Committee is a group of people, often 5-8 in number, who work together to oversee the development of the strategic plan. The Committee does not conduct all of the activities to develop the plan; usually other personnel become involved in the planning process during various stages.

Program

A program is a set of highly related products and/or services provided by a nonprofit in order to meet certain common needs among certain groups of clients. Nonprofits usually provide major services in the form of programs.

Scenario (planning technique)

A scenario is depiction of an organization, its clients and certain significant conditions in society at some point in the future. Scenario technique can be used to ensure rigorous strategic thinking in any approach to strategic planning. The manner in which the technique is applied depends on the approach to strategic planning that is selected by the planners.

Situational analysis

The situational analysis includes conducting analyses of the environments that are external and internal to the organization, in order to identify strategic issues or goals to be addressed during the strategic planning.

Staff

This includes all of the personnel who work in the nonprofit organization and are other than the members of the Board of Directors. This usually includes the Chief Executive Officer (if this role is not a member of the Board, as well) and all of the people who report to the Chief Executive Officer.

Strategic

A matter is considered to be strategic if it: involves strong input and support from leaders in the organization; was produced from careful consideration of the effects of potential changes in the external and internal environments of the organization; is based on the future of the organization; will have significant impact on the governance, leadership and operations of the organization; and will involve extensive use of the organization's resources during implementation of the plan. Strategic matters are in contrast to operational activities (see "operational").

Strategy

A strategy is a major approach that uses the internal strengths of an organization to take advantage of external opportunities, while shoring up internal weaknesses to ward off external threats. Strategies are often major approaches to achieve strategic goal or address strategic issues. Strategies are usually long-term in nature. ("External," in this sense, means something that the organization cannot directly control, as opposed to "internal", which is something that the organization usually can control.)

Strategic planning

Basically, this is assessing what is going on in the organization's external and internal environments, identifying what needs to be done as a result in order to better meet client needs, how it will be done, who will do it and by when. Note that the strategic plan is the top-level, sometimes multi-year, plan for the organization. For some organizations, annual operating plans are developed (or plans that specify what will be done over the year). Some planners clearly distinguish strategic planning from long-range planning, where the former establishes unique approaches to address changes in the external and internal environments, and the latter could merely imply a plan that spans several years.

Strategic thinking

Strategic thinking is the nature of activities in and among planners as they conduct the various analyses, make the necessary considerations and come to the appropriate conclusions regarding the future actions of their organization, particularly to ensure an effective fit between the organization's external and internal environments.

Tactic

A tactic is a series of activities, usually short-term and small in scale, intended to achieve some accomplishment (goal or objective). This is compared to a strategy, which is a series of activities, usually long-term and large in scale, intended to address a strategic goal or strategic issue.

Values (statement)

The values statement describes the overall, top-level priorities for how a nonprofit chooses to conduct its activities and to be viewed by the public, for example, integrity, efficiency, reliability, etc. Some planners distinguish between preferred values and actual values. Preferred values are those that the nonprofit hopes to adhere to in its activities. Actual values reflect the behaviors that are actually occurring in the workplace.

Vision (statement)

The vision is a vivid and compelling description of the organization and its clients at some time in the future, sometimes at the point at which the organization has implemented all strategies in the strategic plan. Some planners refer to the mission statement as also including the vision and/or values statements as well.

Work Plan

Action plans for Board Committees or top management are sometimes called work plans. See **Action Plan**.