

## Why Some Nonprofits Aren't Ready for a Strategic Plan (Yet)

By Nell Edgington

Don't get me wrong, I am a huge believer in strategy. I talk about it [All. The. Time.](#) I firmly believe that every nonprofit should have [a long-term strategy with a corresponding financial model.](#)

But sometimes a nonprofit is not quite ready to create that long-term strategy because they don't know what they don't know.

When a nonprofit suffers from a host of problems that they don't know how to solve, I encourage them to take a big step back. Because you cannot articulate your [theory of change](#), your [goals for the future](#), the makeup of [your staff](#) and [board](#), your [financial model](#), if you are putting out fires and struggling to keep your doors open.



Let me give you an example. An animal welfare nonprofit came to me recently wanting to embark on a strategic planning process. Yet, in the course of our conversation, they revealed that they currently faced a long list of challenges, including:

- A disengaged board of directors
- A poorly structured staff
- A non-existent marketing strategy
- An over-reliance on a couple of funding streams
- An inability to articulate to outsiders what they do and why

These are huge challenges, and creating a strategic plan won't solve them. If the leader of this nonprofit were to gather her board and staff and ask them to chart the next three years, they would only be talking in circles. Because if you don't know what's wrong, you have no hope of figuring out how to fix it.

You should only embark on a strategic planning process when you have the knowledge and capacity necessary to chart a clear future course.

So how do you know if you are truly ready to launch a strategic planning process? Start with these questions:

- Do you have a critical mass of key board members who are excited about and in general agreement on the future of the organization?
- Are you fairly confident of your cash flow over the next several years?
- Do board and staff have the time, capacity and commitment to devote to a rigorous and external-facing, long-term planning process?

- Can board and staff confidently articulate what the nonprofit does and why it matters?
- Does the organization have the right staff in the right places?
- Is your supporter/funder base growing?
- Is the majority of your board effectively engaged in your nonprofit?

If you can't answer yes to these questions, you may not be ready for a strategic planning process.

But all is not lost. Instead, you may need an organizational assessment (what I call [a Financial Model Assessment](#)) to determine what is holding your nonprofit back. An assessment helps a nonprofit figure out why money isn't flowing the way they need it to be, why the board is disengaged, how to articulate what you do and why, how to structure staff effectively, and ultimately how to build the capacity and knowledge necessary to chart a future direction.

A [Financial Model Assessment](#) provides a roadmap to help a nonprofit board and staff analyze and prioritize their immediate challenges so they can address them in preparation for a longer-term planning process.

The approach, in essence is two-fold:

1. [Assess](#): Figure out what is holding your nonprofit back (from financial sustainability, operational effectiveness, board and donor engagement, etc.) and how to remedy those challenges.
2. [Plan](#): Chart a future direction that lays out the strategy for moving the organization to that next level.

It's a one-two punch that is sometimes necessary when nonprofit leaders are so caught up in the day-to-day that they simply aren't prepared to make the big, long-term decisions necessary in a strategic planning process.

If you want to get more strategic as an organization, I applaud you. But make sure your nonprofit is truly ready to create a strategy, or you will just be spinning your wheels and wasting everyone's time.

If you want to learn more about these two processes I use with [my clients](#), download the [Financial Model Assessment benefit sheet](#) and/or the [Strategic Planning benefit sheet](#).

*Photo Credit: [Kale Taylor](#)*

About the Author: Nell Edgington is President of Social Velocity ([www.socialvelocity.net](http://www.socialvelocity.net)), a management consulting firm leading nonprofits to greater social impact and financial sustainability. Social Velocity helps nonprofits grow their programs, bring more money in the door, and use resources more effectively. For more information, check out Social Velocity consulting services and clients.