Real-Time Strategic Planning in a Rapid-Response World

Silicon Valley Peninsula Nonprofit Forum
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with
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Managing Partner
What is Strategy?

A coordinated set of actions designed to create and sustain a competitive advantage in achieving a nonprofit’s mission.
The Strategy Pyramid

Organizational

Programmatic

Operational
Principles for Building Strategy
Strategy is not planning.
Know thyself.
Build on your strengths.
Make your criteria explicit.
Real-Time Strategic Planning Cycle

A
Business Model

B
Market Awareness

C
Competitive Advantage
Step A: Business Model

A
Business Model
Who we are
What we do
How we do it
How we finance it

B
Market Awareness
Trends
Position
Competition

C
Competitive Advantage
Building Your Business Model: Geography Programs
Business Model: Customers Served

- Women 16-40
- Infants up to the age of 2
- Fathers and extended family members
- Women not of child-bearing age
- Children in families with infants
Funding Sources
# Current Business Model

<table>
<thead>
<tr>
<th>Scope</th>
<th>Includes</th>
<th>Does not include</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Geographic service area</strong></td>
<td><strong>Areas we serve:</strong></td>
<td><strong>Areas we do not serve:</strong></td>
</tr>
<tr>
<td><strong>Customers served</strong></td>
<td><strong>Customers, Clients, or Audience that is an important focus for us:</strong></td>
<td><strong>Customers, Clients, or Audience that we do not focus on serving:</strong></td>
</tr>
<tr>
<td><strong>Programs or services offered</strong></td>
<td><strong>Primary program areas:</strong></td>
<td><strong>Programs we do not offer:</strong></td>
</tr>
<tr>
<td><strong>Funding sources</strong></td>
<td><strong>Current sources of funding and why we pursue these sources:</strong></td>
<td><strong>Funding sources we do not have or seek:</strong></td>
</tr>
</tbody>
</table>
Step B: Market Awareness

A
Business Model
Who we are
What we do
How we do it
How we finance it

B
Market Awareness
Trends
Position
Competition

C
Competitive Advantage
Market Awareness: Trends
Nonprofit Competition

A
- Business Model
  - Who we are
  - What we do
  - How we do it
  - How we finance it

B
- Market Awareness
  - Trends
  - Position
  - Competition

C
- Competitive Advantage
What do Nonprofits Compete For?
# Know Your Competition

<table>
<thead>
<tr>
<th>Direct Competitors</th>
<th>Substitutable Competitors</th>
<th>Resource Competitors</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Those organizations with the same market focus as your nonprofit – they do what you do (that is, they have a similar program) within the same geographic area, for the same types of customers.</td>
<td>• Those organizations that meet the same need that your nonprofit meets, but in a different way.</td>
<td>• Those organizations that do not compete with your nonprofit for customers, but do compete for other resources, such as funding, board members, other volunteers, paid staff, and media attention.</td>
</tr>
</tbody>
</table>
Step C: Competitive Advantage

A  
Business Model
   Who we are
   What we do
   How we do it
   How we finance it

B  
Market Awareness
   Trends
   Position
   Competition

C  
Competitive Advantage
Competitive Advantage
Creating Your Identity Statement

The Real-Time Strategic Planning Cycle

A. Business Model
B. Market Awareness
C. Competitive Advantage
D. Strategy Screen
E. Big Questions
F. Develop & Test Potential Strategies
G. Implementation

Creating Your Identity Statement

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Agenda

- Big Questions
- Develop & Test Potential Strategies
- Strategy Screen
- Business Model
- Market Awareness
- Competitive Advantage
- Implementation

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### Step D: Strategy Screen

<table>
<thead>
<tr>
<th>What it is</th>
<th>What it is not</th>
</tr>
</thead>
<tbody>
<tr>
<td>Explicit criteria for how to make decisions</td>
<td>A rigid framework</td>
</tr>
<tr>
<td>Tool to challenge the organization’s thinking</td>
<td>A checklist</td>
</tr>
<tr>
<td>Aid in weighing choices</td>
<td>A set of absolute values</td>
</tr>
</tbody>
</table>
Strategy Screen Criteria

Consider key elements of your identity

- Mission
- Competitive advantages
- Customer focus
- Geographic focus
Examples of other criteria that may be considered

- Fills a gap that we are best suited to fill
- Builds on our program expertise
- Consistent with our values
- Build on our knowledge of the community
- Challenge our thinking
- Others?
## Strategy Screen

<table>
<thead>
<tr>
<th>√</th>
<th>Is this decision…</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>… the best way to achieve our mission?</td>
</tr>
<tr>
<td>√</td>
<td>… leveraging and/or supporting our competitive advantages?</td>
</tr>
<tr>
<td></td>
<td>▪ expertise working with immigrant families</td>
</tr>
<tr>
<td></td>
<td>▪ superior, unique facilities</td>
</tr>
<tr>
<td>√</td>
<td>… achievable through staff and funding resources we have or can obtain?</td>
</tr>
<tr>
<td>√</td>
<td>… based on a clearly defined purpose and explicit outcomes that can be measured for long-term value?</td>
</tr>
<tr>
<td>√</td>
<td>… sustainable?</td>
</tr>
<tr>
<td>√</td>
<td>… consistent with our role in the overall field and focused on activities for which we are best suited?</td>
</tr>
<tr>
<td>√</td>
<td>… supported by our core stakeholders?</td>
</tr>
</tbody>
</table>
Where do we go next?

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Step E: Big Question

- Opportunities or threats you must respond to...

- Big Questions reach beyond the scope of your current strategies.

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Strategic Options
Example: Growth Strategy

- **Big Question**
  - Where do we expand?

- **Strategic Options**
  - Focus expansion in or near neighborhoods where we are now strongest
  - Create deeper footprint in outer neighborhoods that are growing
  - Expand outside the region
Agenda

The Real-Time Strategic Planning Cycle

A Business Model
B Market Awareness
C Competitive Advantage
D Strategy Screen
E Big Questions
F Develop & Test Potential Strategies
G Implementation
Questions and Discussion
Thank You!

Visit us online at www.lapiana.org or email David at lapiana@lapiana.org