tcc group

strategies to achieve social impact

briefing paper

Driving Strategy for Social Impact

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How We See Strategy for Nonprofits and Funders

For several decades, the private sector has grappled with the role strategy plays in corporate growth and success. Yet the social sector — encompassing nonprofits, foundations, and corporate citizenship programs — continues to struggle to come to terms with strategy, both conceptually and in practice. For nonprofits and funders, the bottom line is not characterized by metrics such as market share or profit margin, as it is in the private sector. Rather, success is defined by social impact — the improvement that we can expect to see as a result of an investment in an organization, initiative, or program. Thus, strategy is the pathway to impact — to the change we seek to effect in society. More precisely, TCC Group defines strategy as "*an iterative framework that articulates success in terms of desired outcomes, sets priorities, and guides decision making in order to maximize effectiveness.*"

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We see strategy occurring at several levels that are at once distinct and interrelated:

- **Organizational:** For a nonprofit, foundation, or business, how is success defined and achieved, both programmatically and in terms of leadership and management?
- **Programmatic:** What can be accomplished through a specific program or initiative?
- **Community-wide:** How can various actors in a community, defined by a shared geography or purpose, combine efforts to realize a larger goal?
- **Sectoral and System-Wide:** What are the most strategic ways to address the macro-level challenges confronting our society, and how do we work within and across the nonprofit, philanthropic, public, and private sectors to address them?

Since 1980, TCC Group has helped nonprofits, foundations, and corporate social responsibility programs develop, implement, assess, and refine their strategies. As our society has become more diverse and complex, we have seen the challenges facing nonprofits and funders grow exponentially.

Strategy matters, be it for a single program or across a system, because it is about defining impact, clarifying priorities, and allocating resources in a systematic way — all to solve those problems that the private sector has not addressed. The smallest strategy could ultimately result in more effective policies or responsive systems. If implemented effectively, for example, a program strategy could expand for an initiative or an organization. An individual nonprofit can magnify its impact by banding together in a coalition with a shared, coordinated approach. And a group of funders might increase their effectiveness by aligning strategies towards a unified set of goals. More than ever, the work of the social sector needs to be guided by clearly defined and well-coordinated objectives in order to meet the growing and increasingly complex challenges we face.

Of course, the world does not usually work in such linear or rational ways. As an inherently iterative process, effective strategy is dynamic and flexible, providing leaders with a framework for making decisions, solving problems, and responding to opportunities as they arise. While strong leadership remains essential in defining strategy, decision makers must be thoughtful and inclusive in their approach, incorporating the perspectives of numerous stakeholder groups.

As the pace of change has accelerated, we have seen the "strategy lifecycle" become shorter. Strategy is more important than ever and must accommodate the demands of an arduous and rapidly shifting environment, allowing for adjustments and refinements that are made in "real time," to the extent possible. It is also imperative that strategy for the social sector include measurable performance and outcomes that will facilitate learning,

Levels of Strategy

System/Field/Sub-Sector

Community

Organizational

Programmatic

adaptability, and improvement. We can no longer assume that a strategy is successful because it was carried out. We need to be able to understand whether our investments made a difference, and why. Doing so, in turn, will allow for the integration of strategies within and across organizations to help define and achieve common goals.

The need for strategy coordination across fields has also become more urgent as the boundaries between them have blurred, with nonprofits being more entrepreneurial and business-like and corporations becoming more socially and environmentally responsible.

The Pfizer Foundation and Pfizer Worldwide Philanthropy chose to pursue a more integrated strategy focused on investing the full range of the company's resources — people, skills, expertise, and funding — to broaden access to medicines and strengthen healthcare delivery for underserved people around the globe.

TCC worked with Pfizer to design a program strategy to address the HIV/AIDS epidemic in the southern United States. Based on research on the biggest gaps in care and emerging trends, as well as extensive input from stakeholders, Pfizer decided to focus on prevention programs in small to mid-size AIDS service organizations, particularly those working with minorities and women. The three-year program provided more than $3 million in program investments and $3 million in capacity-building opportunities to 23 grantees. The Pfizer Foundation also

introduced Pfizer Inc's HIV Community Liaisons (HCLs) to the grantee partners so they could foster more localized relationships with Pfizer Inc. and access local resources, such as training materials, sponsorships, and volunteers.

Increasingly, nonprofits acknowledge that working across organizations is integral to achieving impact. Coalitions also require strategy, and members need to be clear about ways to coordinate their individual and collective goals and strategies. As Sue Hoechstetter of the Alliance for Justice observed, "When I represented the National Association of Social Workers (NASW) in the Coalition for Human Needs, there were times when a legislative proposal would increase government funding for needed services (an NASW goal), and, at the same time, create problems for social workers' (our members) ability to provide those services." She continued, "Sometimes, we had to temporarily focus on fixing the problem critical to our members, while other coalition members 'carried the water' on pushing forward the bigger legislative proposal for increased funding. The Coalition openly recognized when members needed to pull away from a certain strategy or activity, making it easier for groups to stay engaged in the bigger campaign."

The Strategy Development Process

Social sector strategy has three core components: mission statement, program strategy, and operational plan. The mission statement is an articulation of ultimate impact — the problem to be solved and the change to be effected. For some organizations or initiatives, the mission statement might be very clearly prescribed and eminently achievable, such as raising awareness of an social issue. For others, it might be much more broad, often too big to be achieved by any single initiative or organization, such as ending homelessness or preventing genocide. Regardless of scale, a strategy must start with measures of success clearly articulated, so that all stakeholders understand the desired results.

Program strategy outlines the way in which mission is realized. If mission is the destination and programs are the vehicle, then *program strategy* is the guide. It explains both the results the stakeholders will hold themselves accountable for achieving and the activities they will conduct to reach those outcomes. Operational strategy identifies the basic assumptions about the type of infrastructure,

Change is an implicit part of the strategy process, and change is not easy.

resources, and systems needed to support strong programs and details specific priorities for the short- and mid-term.

While this might seem straightforward, consensus on strategy is only achieved following a great deal of hard work and discussion. Whether a three-year program initiative, a strategic plan, or a major multi-sector systems change collaborative, a strategy needs to be the product of an inclusive and participatory process that incorporates multiple perspectives, including not only those who are responsible for implementing the strategy, but also those who stand to benefit from it.

Strategy development is an opportunity to question assumptions and stretch conventional thinking. An inclusive process implies that there is a diversity of perspective. It is critical that leaders appreciate that a new strategy often means charting a different course — moving in a new, more effective direction. In some cases, such as the expansion of a successful pilot, this can be a positive and exciting experience. But at other times, a new strategy can refute a leader's vision or direction. Most often, a new strategy is something in between — a recognition that there are both strengths to build upon and significant changes that need to be made. The point is that change is an implicit part of the strategy process, and change is not easy. Before embarking on the development of a new strategy, leaders need to engage in candid conversations, be willing to have their ideas challenged, and be open to feedback about what is working well, and what is not.

It is crucial to get input from a range of constituents as decisions are made along the way. Without that buy-in, it is difficult to garner support further down the road. For instance, Habitat for Humanity International's New York City affiliate recognized this when it successfully designed a highly participatory strategic planning process that TCC facilitated and which incorporated the perspective of over 100 stakeholders. The organization was able to clarify its future vision and set priorities at a large retreat, which laid the groundwork for creating a detailed organizational strategy. That plan led to such positive results as increased revenue through a corporate giving program, an annual gala, and the launch of a new program area — advocacy — which engaged over 100 faith institutions. It also served as a vital framework for staff and board decision-making.

Former Executive Director Roland Lewis observed that "the plan was owned and used by staff and board alike because stakeholders were brought into the process and remained engaged." Lewis recalled a board meeting in which a board member questioned the organization's emphasis on advocacy work. In response, another member immediately pointed to the section of the plan that reinforced advocacy as an organizational priority, moving the meeting's focus back on track.

The breadth and depth of the data collection as well as the methodology used will vary by organization. The key is striking a balance between ensuring that the right people are given the opportunity to provide input and doing so in the most cost-effective manner. To achieve this balance, it is important to understand which staff members need to provide input and what is the best way to engage them. This clarity will allow for the creation

of an effective data collection strategy that combines surveys, site visits and observation, interviews, and discussion groups, while reaching all crucial stakeholders.

While a participatory process is important, incorporating the full range of perspectives does not mean soliciting *all* opinions; *everyone's* vote is not equal. A strategy process needs to be guided by a planning committee that has sufficient knowledge and authority to make key decisions based on good information. To do so, the committee needs to include the right mix of decision makers.

For a corporate community involvement program, decision makers might include representatives of departments who must engage key stakeholders, such as community relations, marketing, and human resources staff. For a nonprofit organization or foundation, the committee should be composed of board and senior staff, including the executives and any others who will

be held accountable for implementation of strategy. For a coalition, the committee would likely be composed of representatives of the various member groups.

Whomever the members are, what is most important is that the group collectively have the confidence of the larger entity — be it a company, a nonprofit, a foundation, or a collaborative — so it can consider the information at hand and use the data to make decisions about future direction.

The Road to Strategy

The path to defining strategy is a relatively straightforward sequence entailing steps that include:

1. Identify the Right Questions to Ask and Gather the Best Data
2. Turn Data into Knowledge
3. Turn Knowledge Into Strategy
4. Make the Strategy Actionable
5. Implement, Assess, and Refine

Strategy Process

1. Identify the Right Questions to Ask and Gather the Best Data
- Understand the needs
- Frame the issues
- Identify critical questions
- Conduct organizational assessments, financial trend analysis, program audits, market research, competitive analysis, and benchmarking

2. Turn Data into Knowledge
- Interpret the data
- Prioritize findings

3. Turn Knowledge into Strategy
- Share the findings with leaders
- Facilitate development of desired outcomes and program strategies that build on findings using tools such as logic models and scenarios

4. Make the Strategy Actionable
- Convene stakeholders to determine priorities, goals, and objectives
- Help to determine the organizational capacity needed to support program strategy
- Draft the plan with clear benchmarks of success

5. Implement, Assess, and Refine
- Coach leaders on implementation
- Evaluate the success of the plan

1. Identify the Right Questions to Ask and Gather the Best Data

The importance of this first phase is often underestimated. Leaders may acknowledge the need to collect information, but often assume that they already are familiar with the issues. Strategy is about devising solutions to problems, which must first be appropriately defined and understood. The *right* solution to the *wrong* problem will be of little help. Agreeing to question all assumptions often leads to the best strategy, because it is through this process that stakeholders are forced to articulate and test these assumptions. The goal of this first phase is to amass sufficient information so that participants have a comprehensive set of data that can serve as the foundation for the decision making that is to follow. Bear in mind that the goal is to build knowledge. You don't need to know *everything* to know *enough*. On the other hand, you might find that your data gathering leads to a new set of more refined questions and the need for additional information. In recent strategy assignments, TCC Group has included an initial diagnostic phase in order to make sure that the data collection process focuses on those issues that are most critical. This inquiry might cover the following areas:

- An assessment of stakeholder needs and interests, as well as their perceptions of your organization's or program's effectiveness and reputation.
- Investigation into the quality and impact of your current strategy. Such information might be derived from program evaluation data, quality assessment data, and client satisfaction surveys.
- Examination of your operational capacity, which might include staff and board leadership, governance practices, staffing and management, human resources, analysis of financial trends management, resource development, marketing and communications, facilities, and IT.
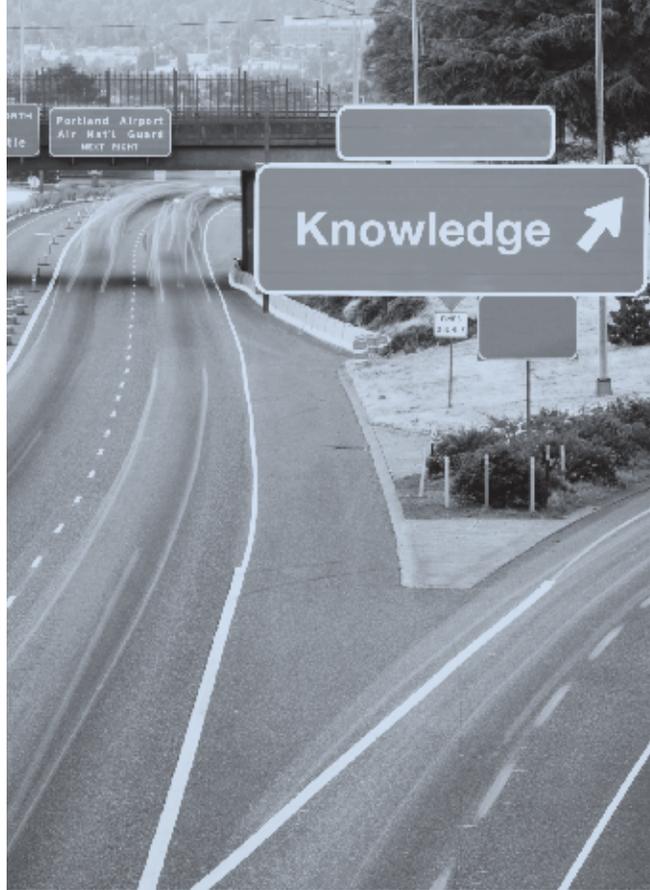
- A scan of relevant trends in the field, such as benchmarking against peers, studying the competition, and analyzing economic and demographic trends, and reading up on your field's latest thinking about "best practice." Literature reviews can provide very helpful context for thinking about strategy.

Given the myriad challenges we face in the social sector, it is often easy to focus on what is *not* working. And implicit in almost any strategy initiative is an imperative for change, which implies, at a minimum, opportunities for improvement. Thus, we want to tip our hats to *appreciative inquiry*, an approach to organizational development that has recently gained in popularity.

This inclusive approach assumes that every organization has strengths on which to build and seeks to engage all stakeholders in conversations about what is working well. When done effectively, this process can be the foundation for continued progress, helping constituents focus on the positives.

Remember that strategy at its core is about the results we want to achieve in the future. Articulating existing assets can be a very useful place to start. At the same time, it is not about denying challenges or ignoring problems. Instead, it is about framing the discussion. Rather than leading with, "What are the problems that are holding us back?" an appreciative inquiry approach might pose the question, "What does success look like, how are we going get there, and what existing strengths can we build on?"

The Emily Hall Tremaine Foundation, for example, conducted extensive research on best practices to inform the development of a new program strategy for people with learning disabilities. Previously, the program

had concentrated on a nationwide public awareness campaign to promote understanding of the issue. However, a study commissioned by the Foundation suggested that the need for education and awareness had become less compelling. The Foundation connected with a leading center for child and family studies, which helped to develop best practices and fine-tune its program plan for early childhood education.

2. Turn Data into Knowledge

After asking the right questions and gathering information, the next step is interpreting the data. In this process, it is important to know when to *stop* collecting data and to begin, through analysis, debate, and discussion, to shape cohesive strategy. This is a crucial juncture. Stakeholders need to be able to step back and discern the larger themes — the emerging patterns and trends and their possible implications. Again, asking the right questions matters. After a thoughtful analysis, leaders should have answers to the following:

- What is it about our strategy or model that has allowed us to achieve impact so far? What does our track record indicate about what we are doing well? Where quality and results are less impressive, what are the reasons, and what should we do about this? For a coalition, what does coming together achieve that members cannot accomplish separately? How is the whole greater than the sum of the parts?
- What is our competitive advantage? As a nonprofit, what can we do as well as — if not better than — others with a similar mission? As a private funder, where are there gaps in funding, and how do these relate to our mission, expertise, grantmaking budget, and distinctive competency? For corporate funders,

where are there opportunities to align the need to support our business goals with needs in the community; how is the company perceived by external and internal stakeholders?

During the reflection process, take time to pause regularly and determine where you might have enough insight and where you may need to delve deeper.

Sometimes, the truth may initially be hard to hear, but ultimately liberating. When New York Cares enlisted TCC Group's assistance to update its strategic plan, it had an excellent reputation for the work it did mobilizing thousands of volunteers for projects created in collaboration with schools, shelters, parks, and cultural institutions. Notwithstanding New York Cares' distinction for reliability, integrity, and professionalism, TCC Group identified areas during the initial "discovery phase" where even greater impact was possible. In particular, while the organization's commitment to delivering high-quality programs was unquestioned, there were no explicit and commonly acknowledged standards defining those terms. The organization learned that it could increase its impact by cultivating stronger relationships with its volunteers. "We came away with a concrete work plan that we could begin executing against immediately," said Ariel Zwang, who was Executive Director at the time. They focused time and

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resources to build stronger relationships with the organization's volunteer network, which built the volunteers' commitment to both New York Cares and the nonprofits they assisted. "We developed a new understanding of the value of our volunteer base," Zwang observed. "And the result was a stronger, more visibly differentiated brand — among the volunteer community as well as the general public."

3. Turn Knowledge into Strategy
The answers to these questions provide the raw material needed to develop the fundamental strategy, which is made up of two essential components: a statement of intended impact and an explanation of how, in broad terms, it will be operationalized. The statement of intended impact communicates the change you seek. For a nonprofit or foundation, this might be the same as a mission statement. For an initiative, collaboration, corporate community involvement effort, or program strategy, it should be a concise description of the results you aim to achieve, and why your involvement matters. Next, your strategy needs to articulate how your organization will accomplish its desired outcomes. What work needs to be done? What are the priorities, and how will they determine the way resources are allocated?

Tools such as logic models, which link resources and inputs to desired outcomes, help articulate the strategy. The sample logic model found on the next page illustrates how one foundation invested its resources to build equitable, prosperous, and sustainable communities.

To narrow down choices and facilitate decision making, it is helpful to consider

a set of particular scenarios with varying objectives, identities, degrees of change, and rates of growth.

The John R. Oishei Foundation, which serves the Buffalo-Niagara region of western New York engaged TCC to coordinate a strategic planning process to understand the assets and emerging needs in its community in order to maximize its resources and become a more effective catalyst for change. The foundation considered several alternative scenarios for its grantmaking strategy, from narrowly focused to wide ranging. With greater emphasis on community development, education, and health, the resulting plan positioned the foundation as a more proactive and intentional grantmaker, supporting the organizational capacity of the nonprofits in the region.

Critical to any strategy development process is connecting your efforts with the larger environment. In the case of corporate community involvement programs, this includes the wider company itself and its business goals. In the recent redesign of its Social Responsibility Group's corporate citizenship strategy, Wells Fargo deliberately coordinated efforts between departments to align their actions with the company's vision and values. This led to the creation of a logic model informed by senior leadership and, ultimately, to a comprehensive corporate citizenship plan that enjoys broad support throughout the company and provides both strong social *and* business benefits.

While a solid strategy makes goals and activities clear, it is just as important that it serves as a filter, communicating to stakeholders what the organization will *not* be doing. There are limits to what any one entity can do very well.

Sample Foundation Strategy Logic Model

Inputs	Strategies	Short-term Outcomes	Long-term Outcomes	Impact
■ Board ■ Staff ■ Funding ■ Knowledge & expertise ■ Commitment to social justice & equity ■ Commitment to working in partnership with existing groups ■ Grassroots approach ■ Evidence-based decision making & investment ■ Relationships & reputation	**Access to Economic Opportunity** ■ Making grants to support community & economic development **Engaged Citizenry** ■ Awarding leadership development fellowships ■ Supporting nonprofit capacity building (TA & grants)	Community development corporations (CDC) & similar entities have access to needed capital CDC's & similar entities have access to resources & opportunities to strengthen their business models Residents & nonprofits have the skills & tools needed to take leadership roles in rebuilding their communities	Safe, affordable, & permanent housing for low-income families Communities effected by historic marginalization and economic hardship are more resilient and stable Residents & nonprofits lead planning & policy efforts related to economic development	**Communities are equitable, prosperous, & sustainable**

support programs that are prevention-focused and data-driven and that help leaders make critical, and often difficult decisions.

4. Make the Strategy Actionable

With a strategy in place, it is time to think about implementation. The work of effectively driving a good strategy forward might seem simple, when in fact it requires hard thinking, smart allocation of resources, and difficult choices on the part of leaders. What capacities (e.g., program, staffing and management, leadership and governance, finance and fundraising, or external communications) exist that can be used to implement the strategy? Where are there weaknesses that must be addressed? Because aspiration will nearly always exceed capacity, it is also essential to set priorities. How will limited resources be maximized? A good plan — strategic, business, or program — will have enough detail to make clear the work to be done, how it will be sequenced, who is responsible, and the resources needed to accomplish it.

For the nonprofit or funder, the challenge is to blend several key criteria — what do we want to achieve; what can we already do effectively; what can we reasonably expect to be able to do, given resource constraints — to create a strategic framework that will limit the scope of activity. Such decisions can be difficult and require disciplined leadership. It can be tempting to say, "Yes," especially when needs are great and new funding is available. At times, an organization may need to respond to unforeseen opportunities. However, to continually add activities and spread resources thin will almost certainly compromise quality and effectiveness. A clear strategy can serve as an effective screen to help leaders distinguish between the two.

GMHC, the nation's first provider of services to people with HIV/AIDS, had this discussion as part of its strategic planning process, which TCC facilitated. A key challenge for the agency was increasing the coherence and assuring uniform quality of a very broad set of programs. The strategy framework that the agency developed is based on a clear commitment to

Strategy is *what* is intended to be accomplished; a plan tells *how*. Often times, it makes sense to have implementation plans that only project a year or two out. In today's rapidly changing world, it is often difficult, if not impossible, to create an action plan that will have any meaning for longer than 18–24 months. The plan is still critical, though, for the discipline and structure it provides. If the strategy is a strong one, it will offer a relevant framework from which new plans can be adapted for several years.

A case in point: The Alban Institute, which is based in Virginia and works to strengthen religious congregations of all types, realized that it needed to create a business plan to strengthen its own consulting practice and make it more financially sustainable. The initial phases of the business planning process entailed extensive market research to understand potential client needs and how the institute was perceived. The current business model was analyzed

carefully as well. The resulting plan identified how services, pricing policies, and staffing structures could be improved.

Healthy Philadelphia, on the other hand, is an initiative borne of a voter mandate for increased access to high quality health care for all Philadelphians. With a program strategy in place, this nascent coalition needed to clarify its operational strategy, including developing by-laws, building the board, facilitating an outreach plan, and engaging TCC to help create its first strategic plan. Building on this solid foundation, Healthy Philadelphia has, in turn, been able to revisit its community-based strategy for engaging Philadelphians and healthcare providers in a productive dialogue to address these critical goals.

5. Implement, Assess, and Refine
Because the "shelf life" of plans is becoming shorter, it is critical that the plan not only be a "living document," but
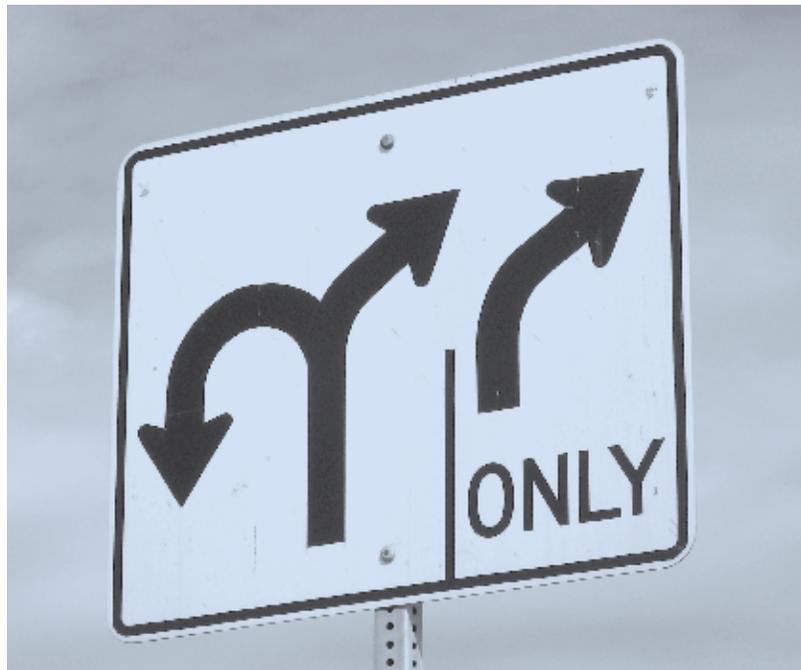
Choosing the Right Roadmap

A plan can be the most effective way to implement your strategy. What kind of plan is the right one for your effort — a strategic plan, a business plan, or a program plan?

Strategic Plan: A strategic plan is typically for a nonprofit or philanthropic organization or a department. It is a document that answers two important questions: 1) where do we want to be after a defined period of time (usually 3 or 5 years), and 2) how will we get there? The cornerstone of a strategic plan is the vision for an organization — what it does best, and how it will be perceived. Building from that point, strategic plans then consider the various parts of the organization or department needed to bring that vision to fruition. Most often, the components include mission and values, program strategy, governance, finance and fundraising, management and operations, and external communications. They are a balance of big picture — mission, organizational vision, goals, and objectives — with the specific implementation details related to particular strategies, timelines, responsible parties, and necessary resources. Strategic plans also need to be accompanied by financial projections that anticipate additional expenses and project for how revenues will be generated. Finally, the best plans have clear metrics of success, so that stakeholders can monitor implementation and have some sense of whether the plan is working well or not.

Business Plan: It has been our observation that the term "business plan" is interpreted to mean many different things in the social sector. Some of our clients see it as a strategic plan with very detailed financial projections. We define a business plan by focusing on a particular program or entrepreneurial venture and its financial sustainability. Most business plans include: a description of the program, product, or service, and its mission-based value; a clear articulation of the financial model underlying the program, product, or service; appropriate and detailed financial projections; a marketing plan that takes into account competition, collaborators, and demand; operational requirements such as staffing and facilities; and a risk analysis and contingency plan.

Program Plan: Program and strategic planning are similar in that their focus is on desired outcomes and the programmatic strategies and internal capacity needed to achieve them. But instead of looking at the entire operation, a program plan focuses on the development of a specific project. A foundation, corporate community involvement program, or nonprofit may have an array of different program areas but may choose, at a particular point in time, to focus on creating a detailed plan for just one.

Key to effective implementation and assessment are the right technical skills and accountability.

that it also be rigorously assessed and refined. A sound strategy is the basis of any successful plan. Evaluative learning is equally important. Any plan needs to have meaningful measures that will allow stakeholders to assess the effectiveness of their programmatic and organizational strategy. Metrics, such as program growth, increased quality, improved staff retention, enhanced reputation, or more effective communications, can help leaders gauge the success of their plan implementation. Measurement is just the first step — the data that are collected must be considered and used to improve programmatic and organizational effectiveness.

Tufts Health Plan, a managed care corporation, built in performance measurement upfront when it created a foundation in 2007 to respond to critical healthcare needs in its region. The board ensured that clear goals were defined and a system to measure the foundation's impact was established at the outset. Based on TCC's extensive research of urgent needs and existing programs, the board decided to focus on "Healthy Aging," with special emphasis on supporting vibrant lifestyles, collaboration between different generations, and safety. In addition to strategy design, the final plan included rigorous benchmarks of success and a data collection process the foundation is now using to measure progress towards its goals.

The keys to effective implementation and assessment are the right technical skills and accountability. Many nonprofit or philanthropic leaders will hire a consultant to help develop a strategy or plan, without realizing that the hard work is really just starting once the plan has been approved. Implementation of a strategy involves change, adjustment, and learning. The biggest challenge nonprofits face with capacity building is implementing the often first-rate strategies that are devised. In addition, too much grantmaker support for nonprofit strategy and organizational development is geared towards getting "ready, set," and not enough aimed at "go." TCC has learned that the foremost implementation assistance is ongoing action-oriented learning, peer exchange, coaching, real-time tools, and hands-on support to act on wise counsel and get the good work done.

Even if a plan is being implemented under the most positive of circumstances, such

as a planned expansion, mistakes will still be made and unforeseen events will occur. Implementation of a new strategy demands vision and perseverance and a whole host of high-level skills, which not all leaders have. Conflicts will require mediation, some staff may need to be replaced, new positions might need to be added, and certain programs may need to be phased out.

Consider World Neighbor's major turnaround. By 2004, it had reached a critical juncture. For more than a half-century, this Oklahoma-based, international development organization had worked closely with marginalized communities in Asia, Africa, and Latin America to address food insecurity, poverty, disease, and other challenges. But it faced numerous challenges of its own, including a shrinking revenue base, inadequate internal communications, and an outmoded infrastructure. When Melanie Macdonald was appointed President and Chief Executive Officer, she led the development and implementation of a three-year strategic plan. To raise the organization's profile, a marketing department was created and charged with developing and strengthening the organizational brand. As part of a campaign to broaden and solidify its financial base, it ramped up long-term giving, creating a dedicated associate vice president-level position to oversee that effort. To address long-standing inefficiencies in its financial accounting and reporting systems, it rolled out new software applications, formats, and systems worldwide. Today, the organization is thriving and its programmatic impact has increased. "It's no exaggeration to say that the problems we faced threatened our viability as an organization," says Macdonald. "The strategic planning process helped put us on track to a sustainable future."

It is essential that there be benchmarks of success so that leaders can monitor implementation and assess whether initial assumptions were valid. For instance, a plan may call

for doubling the number of clients served in two years, but utilization data show that the rate of increase is closer to 25%. Why is that? Should efforts be intensified, or is the slower growth rate more in keeping with the organization's capacity and the need in the community? To help make meaning of data, leaders often surround themselves with a team of advisors who share responsibility for implementation and can serve as a "kitchen cabinet." The goal is to make results and continued improvement the shared responsibility of a team of leaders. Together, they learn about what is working and what is not, and use these lessons to improve their strategy.

In much the same way that the private sector uses Research and Development to refine products and services, nonprofits and funders can use an "R&D approach" to data collection to bring new perspectives and learning to the table. The precise and comparative tools of traditional evaluations that seek to assess entire groups often do not lend themselves to the learning and fast program adaptations demanded by the complex, even chaotic, environment in which nonprofits operate.

What funders and nonprofits need most is the ability to collect information quickly that will translate into day-to-day actions and improvements — indeed, these are the insights that will enable them to achieve their goals most effectively.
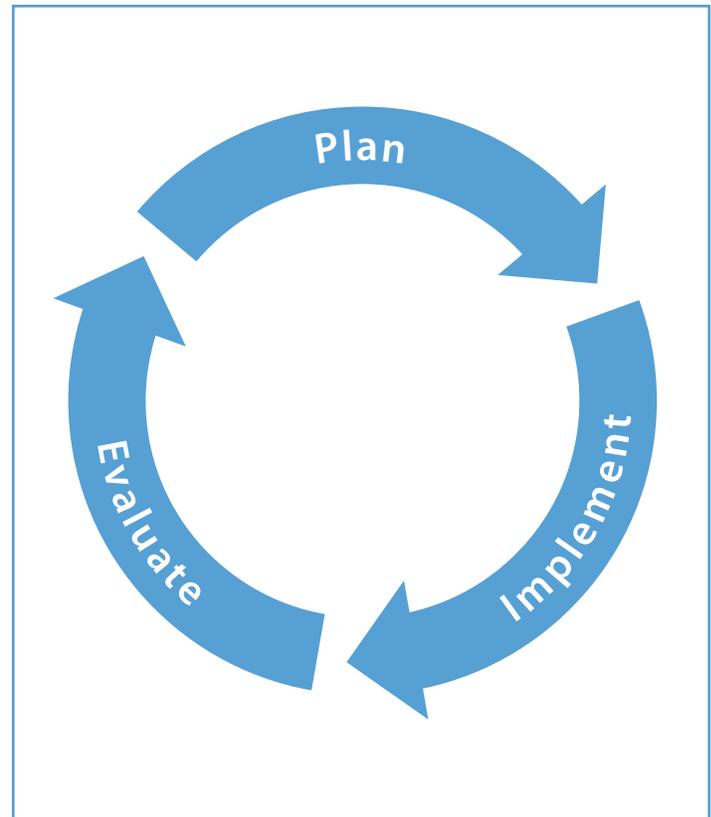
The Strategy Cycle

Ideally, strategy development, evaluation, and strategy refinement should occur as part of a seamless, ongoing process. Strategy is developed; plans are written and implemented. As lessons are learned from implementation,

Successful Strategy Practices

- Have the process be inclusive and involve all stakeholder groups who will be affected by the new strategy.
- Be clear about who makes the decisions related to goals, resource allocation, and plans.
- Embrace candid and sobering assessments of challenges and limitations.
- Do not overemphasize what is broken at the expense of recognizing those assets on which to build.
- Incorporate research about effective practice regarding what has worked elsewhere.
- Consider the larger context in which the strategy will be implemented; look for opportunities to coordinate the strategy with others' related goals and plans.
- Face tough decisions about what to stop doing and where to stop spending money.
- Balance both ends of the strategy: the inspirational "macro" level as well as detailed and feasible action plans.
- Spend time assessing the implementation of your strategy and considering how to improve, based on what you learn.

they should be incorporated into the plan. The best way for leaders to ensure that this happens is to integrate the plan into as many aspects of organizational life as possible (e.g., board meetings, staff meetings, development of job descriptions and staff assessments, etc.). Through ongoing organizational learning, it is much easier to measure the success of implementation and engage multiple stakeholders. It is also an important step in taking a program or organization to scale.

Over the past few years, 10,000 Degrees, based in Marin County, California, has helped put 17,000 disadvantaged kids on the path to college by combining an intensive college preparation and completion program with significant need-based scholarship support — over 30,000 scholarships worth more than $47 million.

"The single biggest ticket to a life of opportunity is a college degree," explains CEO Kim Mazzuca. "When one low-income student is the first in the family to graduate from college, the cycle of poverty is broken for that family and for future generations … and the whole world is a better place."

Based on its track record, 10,000 Degrees recently conducted a business planning process to devise a three-year initiative to take the program model to scale in eight other California counties. To facilitate this aim, TCC created guidelines for selecting potential expansion sites and crafted a two-pronged strategy for branching into new communities and affiliating with existing organizations and schools. During the process, 10,000 Degrees realized that, before it began replication, it needed to evaluate its current program model to better understand why exactly it worked and how it could be enhanced. TCC's pre- and post- longitudinal survey of students and alumni not only documented positive change, but also helped 10,000 Degrees enhance its program strategy. Embarking on a $6 million, five-year capital campaign to fuel the planned growth, 10,000 Degrees has already successfully extended to two new sites.

A Few Final Words

If nothing else, we hope this paper provides useful guidance about strategy for the social sector. First, alignment is essential — the alignment of programs with desired results, of strategy with the best knowledge about what works, and of goals with capacity. Second, strategy must precede a plan. However, without a plan, it is very difficult, if not impossible, to implement a strategy effectively. Third, strategy is *not* just about following an implementation grid. It is about learning from the experience and bringing those lessons to bear so that future efforts will be even more successful.

This is a tall order, and impossible to do perfectly, all at once. Developing, implementing, and improving strategy — be it programmatic or organizational — is difficult. But it is also very important and worth the effort.

We want to emphasize again that *every organization has strengths on which to build*. It is possible for every nonprofit, coalition, foundation, and corporate community involvement program to shape a strategy and build a plan that will help them be more effective.
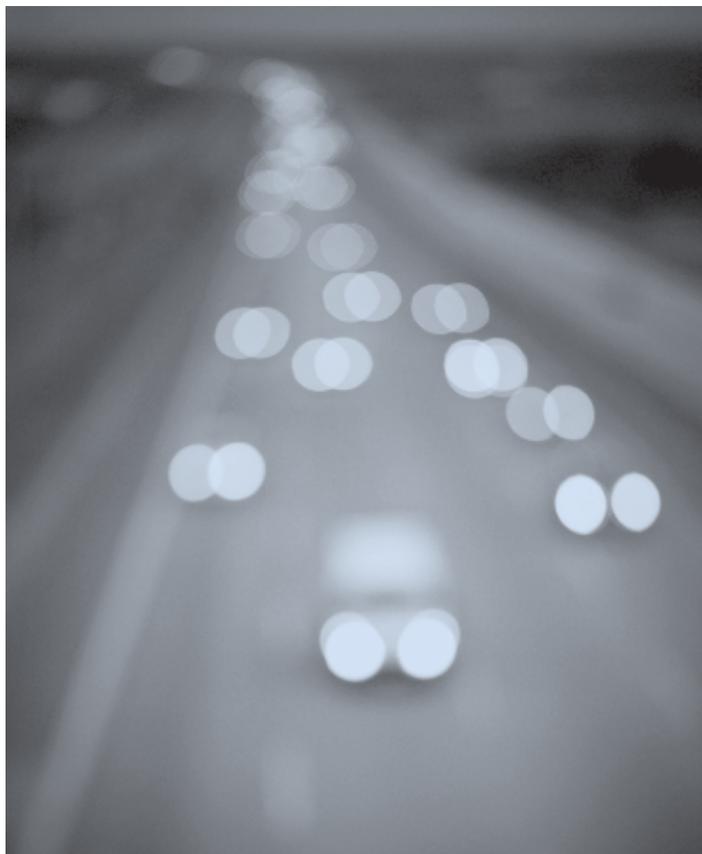
About TCC Group

At TCC Group, we are passionate about helping the social sector achieve greater impact. Since 1980, we have developed strategies and programs that enhance the effectiveness and efficiency of foundations, nonprofits, corporate community involvement programs, and government agencies. From offices in New York City, Philadelphia, and San Francisco, we work with diverse clients — from large funders and nonprofits to smaller organizations that want to tap our knowledge to determine pragmatic ways to solve everyday problems.

TCC Group provides strategy development and planning services to increase the clarity and results of programs, organizations, and coalitions. To each engagement, we bring wide-range expertise and on-the-ground experience working in fields such as education, arts and culture, community and economic development, human services, environmental conservation, and health care. Our consulting staff are excellent strategists, combining critical thinking, skilled facilitation, and deep knowledge of the nonprofit and philanthropic sectors. We offer hands-on support in designing and implementing plans that combine objectivity with enthusiasm, direction with responsiveness, and discipline with flexibility.

Our value as strategists is enhanced by the knowledge and depth of our complementary practices of program and grants management, capacity building, and evaluation. We provide strategic planning, program planning, and business planning services.

This breadth of expertise distinguishes us and provides a unique, holistic perspective that informs every project, as we help our clients increase their social impact.