

Detailed Summary: Strategy for the Not-for-Profit Director

Introduction

Facilitated by Rosina Hislop, this session explores the strategic responsibilities of not-for-profit (NFP) directors. Rosina draws on her experience chairing aged care and radiology boards to illustrate the importance of aligning strategy with purpose and governance.

What is Strategy

Strategy is a framework for decision-making that defines long-term direction. It answers why the organisation exists, what value it creates, and for whom. Strategy is about goalposts (objectives) and a game plan (how to achieve them).

Strategic Planning

A strategic plan documents the strategy and outlines what the organisation will and won't do, where and how it will operate, and who it serves. It translates the 'why' of strategy into actionable 'what, where, when, how, and who'.

Board's Role

The board sets strategic intent, approves the strategy, allocates resources, and oversees implementation. It must avoid being too hands-off or micromanaging. Board involvement depends on organisational maturity and board skills.

Strategic Thinking Skills

Key skills include insight (understanding stakeholders), foresight (anticipating trends), openness, innovation, curiosity, and courage. Directors must challenge assumptions and think long-term.

Planning Process

Strategy is continuous. Boards should schedule strategic topics throughout the year and use tools like design thinking and scenario planning. Directors should request multiple options from management.

Vision and Purpose

Vision defines the desired future state; purpose defines the core reason for existence. Values guide decision-making. Example: ECH redefined its purpose to focus on helping people live at home longer.

Strategic Intent

Strategic intent precedes planning. ECH divested residential aged care to focus on home care. Boards must ask why they exist, who they serve, and what services they will or won't provide.

Enhancing Strategic Skills

Scenario planning and challenging assumptions help boards innovate. Examples include Mercedes' misjudged car demand and a cooling company reducing energy waste. Boards must stretch management thinking.

SWOT and PESTLEED

SWOT (Strengths, Weaknesses, Opportunities, Threats) and PESTLEED (Political, Economic, Social, Technological, Legal, Environmental, Ethical, Demographic) analyses help boards understand internal and external environments.

Strategic Plan Example

Example: AUS Enviro Care's plan includes vision, mission, values, and six strategic objectives. Plans should be concise (1-page summary) with detailed background documents.

Implementation and Monitoring

Use KPIs and balanced scorecards to track financials, customer impact, internal processes, and innovation. Example: Aged care board tracks client goal achievement over time.

Why Plans Fail

Common reasons include poor concept development, misalignment, market irrelevance, and cultural resistance. Boards should conduct pre-mortems to anticipate and mitigate failure risks.

Summary and Resources

Boards must focus on strategic intent before planning. Strategy is about goalposts and game plans. Resources include AICD's Not-for-Profit Governance Principles and Director Tools.