Strategy, planning and impact



What’s the point of planning?

You may think you’re too busy in the present to plan for the future, but don’t assume everyone in your organisation has the same idea of what you should be doing and how to do it. And don’t assume your external circumstances will always remain the same. Plan so that you all know what direction you’re heading in, and how to find the best route to take you there. For this reason it’s important that your planning process ends us with some form of written plan, which shows how you intend to make progress towards your aims over a period of time.

Planning helps you work out:

- A clear sense of purpose for your organisation;
- the key objectives to your work;
- your priorities;
- what resources you need – e.g., money, personnel, work space, skills, equipment – and how to use them most effectively;
- ways to secure the resources you need;
- how to anticipate change and avoid crisis management;
- how to monitor and evaluate your work;
- how to be proactive rather than simply reactive.

Different types of plans

The language around planning can sometimes be confusing with different business planning terms being used, including what you call your plan! It might be helpful to think of different types of plan being part of a hierarchy in terms of time scale and level of detail.

A **strategy** is a plan for the long-term development of your organisation, usually three to five years ahead. It contains high level information about the vision and purpose of your organisation and your priorities.

A **business plan** is a more detailed description of how you will achieve your aims. It will describe your main activities, the resources that you will need and the key timescales, milestones and performance indicators that you will use.

As NCVO put it:

'If the strategy is a picture of the house you want to build, the business plan shows the full blueprint – the wiring, the plumbing, the foundations and the workers.'

There then is an **operational plan** which sets out a detailed work plan for a specific activity or project.

Large organisations may create a strategic plan that is used as a public document to give an overview of their organisation and a separate internal business plan that is used to guide the running of the organisation.

For smaller organisations you might decide to include your strategy and business planning in the same document. There are business planning templates available which follow this approach, where information about the organisation's strategy appears at the start and the operational detail about how this will be achieved follows. We have included some links to templates in the Writing your plan section which will help you with this.

The planning process

When to plan

Planning shouldn't be seen as a chore but as a useful process that prepares your organisation for the future. You will need to create, or revise your plan when:

- You start out
- you want to expand or make major changes
- your external circumstances change – e.g. policy changes that affect you, funding cutbacks, the needs of your users change

You will need to review the strategic element of every three to five years in usual circumstances to check that the high level mission and objectives of your organisation are still relevant and appropriate. You may need to review it more frequently than that if your organisation is facing a major change in circumstances.

The operational elements of your plan should be treated as a live document, to be referred to regularly and updated.

If you decide to apply for grant funding then you will need a business plan. This is to show the funder that your organisation is credible, able to deliver its activities and worthy of their investment.

Who should be involved in the planning process?

Ideally, your planning process should include a wide range of people as considering different perspectives will help you make good decisions. Also, if people are involved in the planning process they will feel connected to the organisation and gain a greater understanding of the plan, making it more likely that it will

be a success.

It is important to remember that the board of trustees are ultimately responsible for the strategic direction of your organisation and they must be engaged with the process (if not leading it) and support the decisions that are made.

Other people that could be involved with the process would be:

- staff, if you have any
- volunteers
- your beneficiaries or service users
- organisations that you work with
- funders

Think about what information you would need from people you are involving in the process and at what stage. Also think about whether you are missing any information and how you might address this.

Writing your plan

There are no set rules on how to write your plan, but it is important that it is a true reflection of your organisation and the aims that you are working towards.

NCVO have detailed information on their website setting out the sections that you can include in your plan.

The National Lottery Heritage Fund have also produced guidance for producing a business plan. – This guidance provides the structure for a plan with tips on what include in each section. While it is intended to support organisations wishing to apply to the Heritage Fund, it is helpful for all organisations, and gives you an indication of the level of information that a major funder would expect to see in a business plan. The Cranfield Trust also have guidance on business planning including a downloadable template.

Understanding impact

What is impact?

When we talk about 'impact' we are referring to the difference that your organisation makes. The impact is the broad or longer term effects of your organisation's work. It can include effects on people who are direct users of a project or organisation's work, effects on those who are not direct users, or effects on a wider field such as government policy.

If you think about your organisation's impact there are usually some things which come to mind easily, usually related to your organisation's mission or reason for being. There are probably other impacts which you may or may not know about. What is important to realise is that impact can be positive and negative and may be planned or unplanned and may be the result of years of work.

Impact practice refers to all the activities you do to demonstrate the positive difference that your organisation makes. It's about learning how to best serve the people you support.

This means:

- planning what difference you want to make
- collecting the right information to know if you're achieving your goals
- assessing what impact you're having, and
- learning from the results to improve your work.

Why look at impact?

Impact is about whether your organisation is making a difference. It should be something which the board of trustees is interested in, as part of monitoring your organisation's performance and improving the work that you do. However, it is also something that other stakeholders will be interested in:

- Service users/clients/customers and your own volunteers and staff will want to be associated with a group/service/organisation that is seen as a 'good thing' in their peer group
- Funders will want to see what difference their funding is having
- Local councillors, AMs, MPs and MEPs will all want to see your organisation as making a positive contribution
- Partner organisations will be interested in how your influence, reputation and ability to deliver can help them achieve their goals

It is important that your organisation can show the difference it is making and to be able to communicate this effectively to funders, beneficiaries and the public.

Develop your impact practice

You will find a range of practical tools and guidance on the NPC website to help you develop your impact practice. This includes:

- a step-by-step approach you can adopt (called the Cycle of Good Impact Practice)
- a jargon buster guide
- a diagnostic tool on what data to collect and how
- information on the principles that should inform impact practice (the Code of Good Impact Practice)

We have also developed a free introductory e-learning course Introduction to Impact to help you get started with understanding and measuring your impact.